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NEWS SUMMARY

GENERAL

Rocket attacks hit Paris

Three terrorists armed with what appeared to be a Soviet-made bazooka fired rockets at Government buildings in central Paris.

An extremist group called Direct Action claimed responsibility for the attacks which damaged Ministry of Transport buildings but injured no one.

The group said attacks would continue until the release of 15 suspected sympathisers who have been charged with bombings, attempted murder and subversion. Back and Page 2

Ulster bombs

At least six people were hurt in three Ulster hotel bombings which coincided with the Dublin visit of Northern Ireland Secretary Humphrey Atkins.

£1.5m drugs haul

Customs men and police seized £1.5m of cannabis and made six arrests in an ambush on an Angelsey beach. Twenty other arrests were made in countrywide dawn swoops.

Murder charges

Two Libyan students appeared before Marylebone magistrates charged with murdering Libyan journalist Mohammed Ramadan in London. Ben-Hassan Elmasri and Nagib Gasmi were remanded in custody.

Titles suspended

Bristol United Press became the first big provincial newspaper owner to suspend publication as a *result of selective action* by members of the National Graphical Association over an earnings claim. Back Page

Petrol lead move

Shell and BP renewed their Appeal Court attempt to block actions by parents over the alleged harmful and unlawful effect on children of lead in car exhaust fumes.

£½m gems raid

Armed gang escaped with diamonds worth at least £500,000 after a raid on a jewellers in London's Hatton Garden.

Concorde flights

British Airways plans to increase Concorde flights between London, New York and Washington this summer following Braniff airline's decision to drop the aircraft from its Dallas-Fort Worth service. Page 6

Lebanon strike

Lebanon's Shi-ite Moslems went on strike in protest at the arrest by Iraq of Imam Mohammed al Bakral Sadr, spiritual head of Iraq's 6m Shi-ites. Page 4

Tito has jaundice

President Tito of Yugoslavia developed jaundice and his weight has dropped to just over six stones.

Liberia order

Liberia's military government ordered all off-duty soldiers back to barracks in an attempt to bring stability to Monrovia after Saturday's coup.

Briefly . . .

Textile worker was charged with the attempted murder of Indian Premier Indira Gandhi.

Film Kramer vs Kramer won five Hollywood Oscars.

May will be mainly dry and warm, says the long-range forecast. Back Page ...

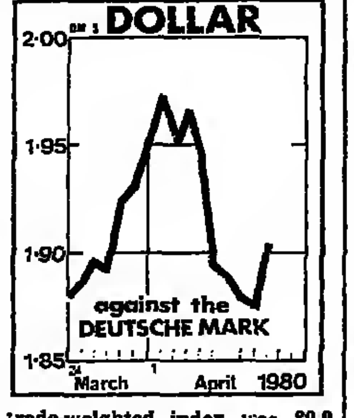
PUBLISHER'S NOTICE

The Financial Times apologises for errors contained in this issue which are due to difficulties in the reading department.

BUSINESS

Dollar rallies; gold off $27

- **DOLLAR** rallied in late nervous trading to close at DM 1.9050 (DM 1.8725) and SwFr 1.7850 (SwFr 1.7425). Its trade-weighted index was 89.9 (89.2). **STERLING** fell 1.75 cents to $2.1855, but rose against the D-mark to DM 4.1650 (DM 4.1275). Its index was unchanged at 72.7. Page 25



- **GOLD** in London followed the weaker overnight New York trend to close $27 down at $497.50. Page 25
- **GILTS:** A lull in demand attracted profit-taking and the *Government Securities* index slipped 0.45 to 66.51. Page 28
- **EQUITIES** opened easier, but rallied to close little changed, and the FT 30-share index fell 0.4 to 437.8. The Gold Mines index dropped 15.8 to 290.7. Page 28
- **WALL STREET** was down 1.88 at 783.02 before the close. Page 26
- ***BUILDING SOCIETY*** net receipts last month were £200m—only £1m more than in February and less than half the societies say they need to meet mortgage demand. Back Page
- **INDUSTRIAL** production in the U.S. fell 0.8 per cent last month—the second consecutive monthly fall. Back Page
- **STOCKHOLDERS** belonging to the National Association of *Steel Stockholders* expect to increase their share of the UK market to 43 per cent this year against 35 to 38 per cent before the steel strike. Page 8
- **SHELL** Chemical, BP Chemicals, ICI and other UK-based chemical companies are putting pressure on the Government to stop Dow Chemical of the U.S. from building an ethylene plant in Scotland. Page 7
- **APPLEYARD**, the BL distribution group, disclosed in its annual report a £117,000 golden handshake to former regional director Kenneth Fraser.
- **BL CARS** pay revolt continued to grow, with more than 22,000 workers on strike or laid off. Back Page; Mini Metro project. Page 6

COMPANIES

- **STANDARD CHARTERED BANK** pre-tax profits for the year advanced from £146.3m to £169.8m after bad debt provisions of £58.3m. Page 20 and Lex. Back Page
- **BANK OF SCOTLAND** ended the year with pre-tax profits £6.4m up at £40.64m after bad debt provisions of £32.99m (£29.36m). Page 20 and Lex. Back Page
- **RUGBY PORTLAND** Cement announced 1979 pre-tax profits up £600,000 to a record £15.11m, and a one-for-four rights issue at 54p per share to raise £12.3m. Page 19 and Lex. Back Page
- **READY MIXED CONCRETE** pretax profits for 1979 were up 29.4 per cent at £47.28m, helped by improved weather in the second half. Page 19 and Lex. Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Excheq. 3pc 1984	£70½	+ ½
Aberthaw Cement	180	+ 23
Automated Security	245	+ 6
Burton	115	+ 4
Grattan Warehouses	84	+ 4
Guinness Peat	106	+ 6
Hambro	362	+ 7
Hogg Robinson	112	+ 4
MK Electric	168	+ 13
Mallinson-Denny	70	+ 3
Meyer (Mont. L.)	110	+ 5
News Intnl.	153	+ 3
Nthrn Engineering	42	+ 2½
Stylo Shoes	160	+ 15
Tate and Lyle	136	+ 4
Whessoe	76	+ 4
Willis Faber	245	+ 8
LASMO	493	+ 10
FALLS		
Excheq 10pc 1983	£97	− ¼
Bambers Stores	68	− 10
Glaxo	218	− 8
Grand Metropolitan	120	− 4
ICI	368	− 4
Kitchen Queen	18	− 3
Montfort	85	− 4
Moss Bros.	232	− 8
Rowntree Macktnsh.	180	− 4
Standard Chartered	470	− 20
Stnd. Telephns Cbl.	265	− 6
Guthrie	812	− 58
Anglo American	525	− 35
Blyvoor	558	− 30
De Beers Dfd.	386	− 16
Doornfontein	559	− 61
Hartebeest	£24½	− 1½
Kloof	£11¾	− 1½
President Styn	£14	− 1¾
RTZ	383	− 7
Rustenburg	208	− 10
West Driefontein	£29	− 1½

Sir William Barlow quits as chairman of Post Office

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A shake-up at the top of the Post Office was started yesterday when Sir William Barlow announced his resignation from the chairmanship after a year of growing frustration with the Government's tight cash-limit policies for nationalised industries.

Though he stressed that he had not had a major row with the Government Sir William, who is 55, is giving up the chairmanship after holding the job for only three years.

He has refused to become chairman of British Telecommunications when the Post Office is split into two parts early next year.

The resignation was announced "with great regret" yesterday by Sir Keith Joseph, the Industry Secretary.

Sir Keith named the senior Industry Department civil servant *who will be chairman of* Posts and Giro after next year's formal split. He is Mr. Ron Dearing, 49.

Mr. Dearing started his career as a Civil Service clerk at the age of 16, and is deputy secretary in charge of the Post Office and other nationalised bodies.

He is to join the Post Office next month as deputy chairman, and Chairman-designate of the new organisation, at a salary of £36,000 a year—about £12,000 less than Sir William receives for heading the combined corporation.

Mr. Dearing *was selected* after a firm of executive search consultants interviewed 25 possible candidates who said they did not wish to be considered.

The Post Office is to be formally split in two next year after a Bill to be introduced to Parliament in the autumn becomes law.

The Bill will reduce some of the *Post Office's* "*monopoly*" powers, and it is believed that Sir William considers that Sir Keith wants to do this too quickly in the telecommunications sector.

The present corporation's structure is being changed so that the businesses can be run *separately within a few months.*

Rules protest

Sir William will continue to work on this reorganisation until the autumn. The Government will then have to find a temporary chairman to head the combined corporation until the legal split takes place.

Sir William might be asked to fill this post on a part-time basis, though he made it clear yesterday that he wished to return immediately to the private sector, which he left in 1977.

"*I prefer the cut-and-thrust* of competition rather than life in nationalised industries," he declared.

His frustrations cover the Government's cash limits, which Sir Keith applies rigorously, and are felt by many other State industry chairmen.

Though there have been no other suggestions of resignations, demands are building up for rules governing these industries to be relaxed.

Sir William took a key role in this debate last month when he became chairman of the Nationalised Industries' Chairmen's group. Yesterday's unexpected announcement of his departure *came* therefore as a considerable surprise to his colleagues.

It is believed that frustrations of the past year and constant public criticism of the Post Office made him decide finally that he could no longer work with the present Government.

Mr. Dearing's departure from the Industry Department further complicates a series of changes among its top civil servants which started before Easter, when Mr. John Lippitt, another deputy secretary, left to work for GEC.

Threat to Post Office bills wanes, Page 9.

Feature, Page 16

OECD pledges $1.16bn to boost Turkish economy

BY ROBERT MAUTHNER

THE MAIN MEMBER countries of the 24-nation Organisation for Economic Co-operation and Development (OECD) yesterday pledged $1.16bn (£526m) of aid to Turkey this year to help finance its economic recovery programme.

The agreement was seen by Western delegates as particularly important in the context of current international tension.

Since the Soviet invasion of Afghanistan and the crisis over the American hostages held in Tehran, the West has considered it essential that NATO's *southern flank* should be shored up.

The package falls well short of Turkey's total requirements for foreign aid this year, which Mr. Turgut Ozal, Under-Secretary to the Turkish Prime Minister, put at about $3bn. It is somewhat less than the $1.5bn that Turkey was seeking from the OECD consortium. But, taken together with other financial aid from the IMF and the World Bank, and expected contributions from Arab oil-producing countries, the Turks should just about be able to make ends meet, provided that *gramme proves successful.*

What is certain is that the Western countries are making a bigger effort to help Turkey than last year, when they provided $962m in the form of grants, concessional loans and suppliers' credits.

Mr. Emile Van Lennep, the OECD Secretary-General, also emphasised that the aid would be granted on generally better conditions than last year. It would be "less tied, subject to lower interest rates and have longer maturities." But the precise terms on which it is being offered will vary for individual countries and will be *settled in discussions with* Turkey in the next few weeks.

The biggest contributors, as last year, will be the U.S. and West Germany with $295m each, followed by Italy with $115m, France and Japan with $100m each, Switzerland with $37m, the UK with $33m and the Netherlands with $21.5m.

Austria is providing $15m and Canada, Belgium, Norway and Sweden about $10m each. Denmark will contribute $5m, Finland $3.5m and Luxembourg $1m. The EEC as a group is making a separate contribution from its joint budget of $100m, Mr. Van Lennep said. But Australia and New Zealand have again declined to participate.

In addition to the OECD members, the Saudi Arabian and the United Arab Emirates Governments are reported to be willing to porvidef unds, but have been waiting for the Western countries to fix their contributions before taking a final decision.

The Western aid package comes on top of $300m in IMF stand-by credits granted by the International organisation for 12 months last July, and about $550m in loans to be provided by the World Bank to Turkey this year. A financial protocol between Turkey and the EEC, providing a further $400m, is also due to be implemented rapidly, while another $250m is outstanding from last year's OECD aid package.

The rescheduling of Turkey's huge *foreign* debts was apparently not discussed yesterday, but is expected to be negotiated at further meetings of the OECD countries concerned in May. Interest on Turkey's external debt alone is expected to amount to about $1.5bn this year, while the total servicing cost, *including* repayments, is estimated at more than $2bn.

Amnesty for sanction-breakers

BY RICHARD EVANS, LOBBY EDITOR

THE THREAT of prosecution for British companies which contravened sanctions legislation against Rhodesia was formally lifted by the Government yesterday.

At the same time Sir Ian Gilmour, Deputy Foreign Secretary, told the Commons that £75m in aid from Britain over the next three years was being committed to Zimbabwe, which reaches independence on Friayd.

Opposition MPs protested immediately against the decision to grant a full amnesty for sanction breaking and at the announcement of aid before the needs of the new Zimbabwe Government had been detailed.

The measures applying sanctions had been revoked. There was only one case, on appeal, before the courts at present and no other prosecutions were pending. Sir Ian thought it would be wrong to bring prosecutions "for offences which are no longer offences."

But Mr. Peter Shore, Shadow Foreign Secretary, described

Continued on Back Page

Parliament, Page 10

CONTENTS

For latest Share Index 'phone 01-246 8026

North Sea oil prices rise

BY RAY DAFTER, ENERGY EDITOR

NORTH SEA oil prices in the UK sector are being raised by an average of about 35 cents a barrel, the third increase this year. Rates for various crudes are raised by up to 65c a barrel, backdated to April 1, in a move adding about 1 per cent to value of output.

The State-owned British National Oil Corporation began informing buyers and sellers of UK oil of the increases late yesterday. BNOC, which sell two-thirds of Britain's oil, acts as North Sea price-leader.

The increases are in response to similar moves by Nigeria, which recently raised rates by 51c a barrel to bring prices in line with Libya's.

North Sea producers have linked their prices to *these of* the three main African exporters, Nigeria, Libya and Algeria.

Each produces high-quality light crude at some of the highest prices in the world.

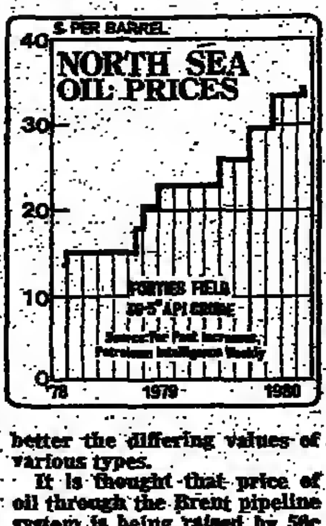
Libya's Zveitine grade is $34.72 a barrel. Algeria's Saharan grade $37.21, including $3 exploration down payment.

BNOC's decision was taken with agreement of Mr. David Howell, Energy Secretary.

Price of Forties Field oil, the "marker" crude of the North Sea, will rise, it is understood, by 45c a barrel, from $33.75 to $34.20.

Since late 1978, when Forties oil was sold for $14 a barrel, North Sea prices have risen eight times.

BNOC, confirming that it was telexing companies about price adjustments, said last night that it would not seek a general increase for the second quarter. Adjustments were being made to reflect better the differing values of various types.



It is thought that price of oil through the Brent pipeline system is being raised by 50c a barrel to $34.25.

The increase means that Brent oil is given a slight premium rating over Forties, reflecting its marginally higher quality.

It is understood that the price of inferior Flotta Blend crude, from Occidental's Piper and Claymore fields, is maintained at $33.

The biggest increases are in fields where oil is pumped directly into oil-tankers rather than transported to shore by pipeline. Consequently, selling price from Mobil's Beryl Field is raised by 65c to $34.80.

Price rises will now add £270,000 a day to total pre-tax oil industry revenue in the UK North Sea, where production level is about 1.7m b/d.

- BNOC said yesterday that it had resumed production from the Thistle Field, shut on April 6 after a leak in the pipeline to Dunlin. Oil is being pumped into a tanker at a rate of over 100,000 b/d.

Esso profit up 900%

BY RAY DAFTER, ENERGY EDITOR

ESSO PETROLEUM, UK arm of the American Exxon Corporation, has reported a record net profit of £274m for last year, almost a tenfold increase on the previous year's results.

But the company, which has benefited from sales of highly-priced North Sea oil, said yesterday that it must make similar or highr profits in future.

Esso, which has already invested £1.7bn in UK offshore oil and gas exploration hand production, has £1.4bn earmarked to complete existing offshore projects.

The company is investing at a rate of £400m a year. Between £50m and £70m a year will be spent in the next few years on modernising and upgrading manufacturing facilities including oil refineries at Milford Haven and Fawley, Hants., and on improving distribution systems.

The annual report says that net profit after tax, of £274m in 1979 included £101m which resulted from tax relief on increased value of oil stocks, caused by higher crude oil prices. Part of this relief had been carried forward from previous years.

The company said that the profit, on a turnover of £3.1bn (£2.27bn in 1978) meant that earnings "had at last begun to reward the substantial investment made over the past 10 years."

Continued on Back Page

Risk high for banks governors warn

By Peter Montagnon in Basle

CENTRAL BANK governors of the world's leading industrialised countries have issued a strong warning about the increas- risks for international banking. A statement after the monthly meeting of the Bank for International Settlements said they owuld intensify efforts to ensure the soundness of international banking.

The unusual statement by the bank governors came after more than a year of discussions on the Euromarkets. Key elements are:

- A renewed call for consolidation of bank balance sheets,
- *Improved* supervisory practices by regulatory authorities,
- Closer monitoring of the BIS statistics already available on international lending.

The governors noted that international lending had been expanding recently at a rate of more than 25 per cent annually. The efforts of the banking system to re-cycle the current large OPEC surplus point to a further substantial future growth.

Because of this, they said they had decided to monitor international banking developments more closely. The BIS *standing* committee on Euromarkets will now report to governors at least twice a year on developments in the Euromarkets, to provide a framework for closer international co-operation on monetary policies.

Meanwhile, the governors said they now placed a high priority on bringing into effect the initiatives already taken by the BIS Committee on Banking Regulations and Supervisory Practices (the so-called Cooke Committee) with regard to the supervision of banks' international business on a consolidated basis, improving assessment of country risk exposure and ensuring that banks do not get caught short by having borrowed too *much short-term* money to finance long-term lending.

They said they attached cardinal importance to the capital adequacy of banks, their liquidity and avoiding excessive concentration of loan risks.

Editorial Comment, Page 16

Full text, Page 22

£ in New York

—	Apr. 14	previous
spot	$2.1980-1995	$2.2050-2070
1 month	0.36-0.43prem	0.25-0.30prem
3 months	0.60-0.65prem	0.67-0.72prem
12 months	0.45-0.50prem	0.45-0.55prem

EEC's regional fund under attack by MEPs

BY WALTER ELLIS IN STRASBOURG

THE LIMITED scope of the EEC regional development fund came under severe attack yesterday in the European Parliament. Members felt that the fund—worth £165m in 1978—was much too small to begin to help redress the Community's regional imbalances and was both mismanaged and subject to abuse.

The MEPS were debating a report on the fund's operation produced by the Parliament's regional affairs committee and particularly critical of one membar state—known to be France—for impeding the work of Community officials seeking to verify that aid was being allocated in the agreed manner. It called on the European Commission to consider suspending assistance from the fund to those areas where auditing could not take place.

Mr. David Harris, a British Conservative, called the position in France a scandal and demanded an inquiry so that the Commission could discover how regional fund money was being apent in the French industrial sector.

The report observes, as its predecessors have done for some years, that the effectiveness of the funds available depends on the willingness of the member states to use Community aid in addition to national assistance and not as a substitute for it.

Accordingly it repeats a call it made last year for the Commission to pay money directly to the public or private investor instead of through national govarnments.

Another target for criticism is the operation of the national quota system under which each member state is granted a proportion of the total aid available with little regard being paid to the particular needs of deprived regions.

The Parliament supports the Commission view that the priority areas for aid should be Northern Ireland, Iraland, the Italian Mezzogiorno, Greenland and the French overseas departments.

As the row over the size of Britain's contribution to the EEC budgat has grown, officials have begun to look more closely at the regional fund as one possible means of injecting more Community cash into the British economy.

If increased aid to the UK is to become a reality, however, the fund would have to be considerably enlarged.

Cossiga in UK next week

BY JOHN WYLES IN BRUSSELS

THE ITALIAN Prime Minister, is expected to visit London, Paris and Bonn next week to make his long-awaited personal bid to fiod a settlement of the row over Britain's contributions to the EEC budget. The collapse of his Government three weeks' ago, allied to the then bleak prospects for an agreement, prompted Sig. Cossiga to postpone the EEC-summit which was scheduled in Brussels at the end of last month.

But following his formation of a oew centre-left government, the European Council will now be held in Luxembourg oo April 27-28. In the meantima, Sig. Cossiga, as president of the Council, will seek to close the gap between the UK and her EEC partners.

During the past two weeks, there has been a palpable increase in optimism within the Community that an agreement can be reached at the next summit.

Virtually everything depends on how much more the other EEC states will pay so that the UK can transfer much less than the £1.1bn which will otherwise go into the Brussels budget this year.

Turkish bank chief may be replaced

By Metin Munir in Ankara

THE TURKISH Government is expected to replace Mr. Ismail Hakki Aydinoglu as governor of the Central Bank after the bank's annual general assembly meeting on April 30, senior officials said yesterday.

Mr. Aydinoglu is at present in Paris attending the meeting of the Organisation of Economic Co-operation and Development (OECD) which yesterday put together a $1.16bn (£527m) credit package for Turkey.

The Finance Ministry, which controls most of the Central Bank's equity, has decided to ask the forthcoming general assembly to change the bank's executive board, according to the officials. The purpose, they said, is to create a pro-Government board which would terminate Mr. Aydinoglu's contract and replace him with a person of the Government'a choice.

Regret in London

David Tonge adds: Bankers in London reacted with disappointment to reports that Mr. Aydinoglu might be replaced. "A lot depends on who would take over, but it would be a shame. We would be sorry to see him go," one banker commented.

Another said that, when Turkey was talking of rescheduling further debts, it would be a ")most unfortunate time" to bring in a new man.

The banks generally believed that Mr. Aydinoglu had developed a clear understanding of the problems of Turkey and the realities of the international financial system.

They also argued that, unlike a few of his predecessors, he had at times made a point of standing up to the Government which appointed him, when he believed that it was going off course.

ROCKET ATTACKS IN PARIS

Police raids fail to break extremist group

BY ROBERT MAUTHNER IN PARIS

THE ROCKET attacks on three government buildings in central Paris early yesterday morning show that recent anti-terrorist operations of the French police have not been as successful as ganerally believed. During their round-up of suspected terrorists in tha Paris area and the South of France at the end of last month, police thought that they had broken the back of the "Direct Action" group, which had committed a dozen or so attacks on public buildings in the past year.

Fifteen alleged members or sympathisers of this group were charged earlier this month wtih bomb attacks, attempted murder and subversion, and were remanded for trial by the State Security Courtfi Since the beginning of April, however, the group is believed to have been responsible for two further attacks on Philips and CII-Honeywell Bull computer centres in the Toulouse area, in which computer cards, tapes and equipment were destroyed.

And, in an anonymous telephone call to a French news agency yesterday, a caller again claimed responsibility for the latest attacks on government buildings in Paris.

The ideology and objectives of Direct Action are shadowy, though its name suggests some kind of philisophical link with the anarmist movements of the late 19th and early 20th centuries, which employed the term "direct action."

Nor does a recent communique published by the group throw much light on its philosophy and affiliations, except that it claims to be part of a widespread revolutionary movement.

Targets have included such diverse institutions as the headquarters of the French Railways, the French Employers' Federation, a building society and an insurance company.

With one exception, they give no clearer clue to the group's ideology. But a more precise political motive for its actions emerged after a machine-gun attack in March on the Ministry for Co-operation (with France's former colonies) when the group said that the attack symbolised its fight against "France's imperialist policy in Africa."

The Direct Action group can therefore be situated on the extreme Left of the political spectrum, but there is no evidence that it has any links with the traditional French Left, which is opposed to the use of violence to attain its ends.

French police, on the other hand, are convinced that Direct Action co-operates with Left-wing extremist groups in Italy, Spain, West Germany and possibly, Ireland.

It was certainly no acciden that the round-up of the group members at the end of Marc coincided with the arrest nea Toulon, in tha South of France of four Italian citizens involve in a big hold-up in northern France in August 1979.

One of the people arrested was Franco Pinna, a member o the Italian Red Brigades, who i suspected by the Italian police of having participated in th kidnapping and assassination o Sig. Aldo Maro, the former Italian Prime Minister.

The French police swoop als coincided with a big anti terrorist operation in northern Italy by the Italian police.

Polish books open as loan bargaining begins

BY FRANCIS GHILES

THE OPENING moves in what promises to be difficult and lengthy negotiations for a new "jumbo" Euro-loan for Poland got under way yesterday as Polish bankers played host to Western bankers at the opening of Bank Handlowy's new full branch office in London.

The branch was recently upgraded from its former representative office status.

After initiating contacts in London the next step will take place on April 24 when representatives of banks involved in last year's $550m (£250m) jumbo loan fly to Warsaw. There they will receive a briefing on the state of the Polish economy, as agreed with the borrower when the loan was signed last year.

The new Polish Government has inherited an $18bn foreign debt. Polish bankers ara faced this year with the prospect of raising up to $7bn to finance the payments deficit and roll over this year's repayments obligation.

Western bankers have a delicate course to steer. In private some of them taken a hard line about new lending to Poland: the amount of money the country needa is large and banks are not keen to increase their exposure.

But more worrying is Poland's failure to meet the economic targets it had set itself when wooing Western banks last year. Bad luck and bad planning share the blame for this failure.

No 5

Some bankers, however, point out that those banks which managed the loan in March last year must have known that their presence amounted to joining a "Friends of Poland" benevolent society.

Because Poland has opened its books to a greater extent than its neighbours, and because the country is not viewed as a hard-line ally of the USSR, it benefits from favour among Western bankers. But there is a more fundamental reason why Poland should be able to find the money it needs. Bankers accept that refusing to lend to Poland would force the Poles to reschedule their hard currency debt, which is in no one's interest.

Athletes to get Talbot support

TALBOT Motor Company is to support British athletics with a 100,000 sponsorship deal in the next three years, the company said yesterday.

The company will sponsor an international athletics meeting at Crytal Palace in June—the Talbot International Games

Deadline set for Belgian crisis settlement

BY GILES MERRITT IN BRUSSELS

BELGIUM'S CARETAKER Economic Affairs Minister, Mr. Willy Claes, who has been charged by King Baudouin with the job of negotiating an and to the country's political crisis, has set a mid-May deadline for a settlement.

Mr. Claes, appointed "informateur" by the King last weekend, has said he is "relatively optimistic" about his chanes of constructing a compromise that would enable a new coalition government to be formed.

Although Mr. Wilfried Martens whose resignation on April 9 precipitated the sixth political crisis in 10 years, is staying on at the head of what has become a caretaker government until a settlement is found, Mr. Claes has warned that mounting economic problems make a rapid agreement essential.

If no new government can be formed by May 10 or May 15 at the latest, Mr. Claes warned that a general election will have to be called for mid-June. The political party leaders have already declared themselves unanimously against holding a third election in four years as it could "dramatise" the crisis further. At the same time, the results of Belgium's general election, at which voting is compulsory, are so often inconclusive thta the present political vacuum could last until the autumn.

Norway close to pay deal

By Fay Gjester in Oslo

AFTER A marathon negotiating session that began on Monday morning, Norway's TUC and employers federation last night seemed close to a national pay agreement. Failure to reach an agreement, which sets the pattern for wages settlements throughout the country, would have meant a combination of strikes and lockouts, starting tonight affecting 200,000 workers in industry, trade, transport and services.

The compromise, put forward by the government arbitrator, provides for a general wage increase of 7½ per cent. The TUC had demanded 12 per cent and the employers offered 5 per cent.

Lowest paid workers will receive a bigger rise under the plan, and a 3 per cent ceiling will be imposed on wage drift over the next 12 months. Workers whose wages have drifted above this ceiling will receiva correspondingly less when rates are adjusted in next year's spring bargaining.

The extra increases for the lowest paid will be partly paid for by a "low wages fund" financed by contributions from employers and workers.

To help bring the two sides together, the Government is offering tax concessions and increased children's allowances which will cost the state about NKr 1.4bn (£127m) this year. If a settlement is reached taxes will be cut by about 1 per cent from July 1 and children's alowances will rise by NKr 75 (£6.80) per child per month, from May 1.

This will increase slightly the purchasing power of low income families with at least two children compared with 1979. All other groups will face a fall in real income this year because of price increases.

The consumer price index for mid-March, published yesterday was up by 1.5 points to 160.9 giving a year-on-year rise of 8.6 per cent. Mrs. Sissel Ronbeck, the Consumer Affairs Minister, said the increase was steeper than the Governmeot had forseen but pointed out that inflation rates in other countries were also higher than expected. The important thing for Norway was that the price rises were below those of competitor countries.

Moscow warns visitors to Olympic Games

By David Satter in Moscow

A SOVIET weekly has warned that visitors to the Moscow Olympic games will face serious consequences if they try to carry anti-Soviet literature into the country.

It said that anti-Soviet organisations, operating with the advice of the U.S. Central Intelligence Agency, saw in the Olympics a "unique opportunity" to send their own "emissaries" into the country and to seek and develop "new sources" of information.

The warning cames as the U.S. embassy in Moscow protested to Soviet authorities over recent cases of harrassment of U.S. tourists by unidentified Soviet assailants and an increase in "harrassing surveillance" of U.S. diplomats in Leningrad.

The harrassment of tourists allegedly involved three separate cases in the Ukrainian cities of Kiev and Odessa and in an unidentified city in Central Asia.

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Bonn stresses alliance role as diplomacy fails in S. W. Asia

BY JONATHAN CARR IN BONN

WEST GERMANY seems at first sight to have changed its alliance role on the Afghanistan and Iran crises from that of cautious counsellor to European activist on behalf of United States policy.

The Bonn Government is not only actively preparing to implement sanctions against Iran as the U.S. desires. It is taking the lead in urging its European Community partners to do likewise, preferably through a decision by the decision by the Foreign Ministers of the nine member states early next week. Simultaneously, the Government has made clear that it will shortly recommend to its national Olympic committee that West German athletes should not take part in the Moscow Games, because of the continued Soviet ocupation of Afghanistan.

What is responsible for this apparent change in Bonn's position? It is clear that the course now being followed is full of risks for West German policy in West and East. On both the sanctions and Olympic boycott issues the West Germans are moving beyond the known position of France, close co-ordination with whom has long been an axiom of Bonn's foreign policy.

Curiously, the West Germans feel that on sanctions they may also prove to be out of step with Britain, which has constantly expressed support for President Jimmy Carter, but has not said what practical steps it plans.

At the Chequers meeting late last month between Chancellor Helmut Schmidt and Mrs. Margaret Thatcher, the UK Prime Minister, the West Germans sensed a cooling in British enthusiasm for the way the U.S. Administration was handling the double crisis in the Middte East. They now wonder how far Britain may participate in trade and other economic measures against Iran.

As for relations with the East, Mr. Vladimir Semyonov, the Soviet ambassador to Bonn, has noted cautiously that a West German Olympic boycott would stick in the minds of the Soviet people and that this would "play a role in politics." The Bonn political opposition has promptly condemned the comment as interference in West German internal affairs.

For the ruling Social Democrat (SPD) and Free Democrat (FDP) parties, it raises the spectre of worsening relations not only with Moscow, but with the rest of Eastern Europe and East Germany above all. It is a bitter pill indeed for those who have struggled for more than a decade of office to improve ties with the East under the banner of *Ostpolitik*.

Efforts continue to cement those ties, as East-West German talks at the Hanover industrial fair this week bear witness. But both sides know that improving bilateral relations cannot survive if the superpower relationship deteriorates, as it is now rapidly doing.

The truth is that Bonn has not switched its position suddenly from lack of support for the U.S. to one of uncritical solidarity, but that the potions for a doplimatic solution to both the hostages and Afghanistan issues have been gradually removed.

The alliance with Washington was itself never in question because both Chancellor Helmut Schmidt and Herr Hans Dietrich Genscher, the Foreign Minister, know that, without it, there can be no security for West Germany and West Berlin, and hence no basis for an alternative policy.

This has not always been appreciated fully by everyone in Herr Schmidt's own SPD, and the Government has often been highly critical of U.S. foreign policy strategy (or lack of it). But of all the European allies, West Germany probably has the most highly developed sense of vulnerabibty and the greatest reliance on the U.S. connection.

Bonn had greatly hoped that diplomacy could find an answer to both the Iranian and Afghanistan crises. It has grave doubts whether economic sanctions and an olympic boycott will bring the desired results. But it understands why the U.S. feels it must act as it has done, and sees grave dangers for Europe in failing to support Washington's call.

Quite apart from the wider question of mutual solidarity, it is expected that, if Iran's main trading partners do not agree to sanctions, the U.S. will quickly impose a naval blockade. This would have a similar economic impact but increase the dangers of wider conflict in the area. Hence Bonn's desire for quick support for sanctions —in the EEC and beyond.

It would be hard to overestimate the disappointment in Bonn over the course of Soviet policy in the past few months. Not only does the Chancellor's office see no sign that the Soviet Union wants a face-saving device to enable it to withdraw from Afghanistan. It is felt that Moscow is preserving its options for a military intervention across the border into Iran.

Herr Schmidt's recent letter to Mr. Leonid Brezhnev, the Soviet President, on responsibility for world peace received an answer which one aide described as a piece of propaganda which the Chancellor can find any day of the week in Pravda. No clear explanation for this is seen, unless it be that the Soviet military is exerting ever greater pressure on political decision-making in Moscow. The upshot is to cause the West Germans to stress their membership of the Atlantic alliance, whatever other consequences this may entail.

Herr Schmidt: alliance never in question

Big rise in Italian trade deficit

By Paul Betts in Rome

THE DRAMATIC worsening in Italy's trade balance was confirmed yesterday by official figures showing a L2,390bn (£1.23bn) trade deficit during the first two months of this year, more than half 1979's overall trade deficit of L4,725bn (£2.43bn) of 1979.

According to provisional figures from ISTAT, the national statistical bureau, Italy had a trade deficit of L1,256bn in February compared to a surplus of L344.5bn during the same month the previous year. In January, the trade deficit totalled L1,134bn compared to a deficit of L220.6bn in January 1979.

This sharp deterioration in the trade balance is largely due to the substantial rise in the cost of raw material imports, particularly oil, which cost Italy L2,028bn during the first two months of this year.

At this stage, Italy's annual oil bill is expected to increase to about L14,000bn this year compared to about L8,000bn last year. The increase in the oil bill is due not only to higher OPEC prices but also to the recent strengthening of the U.S. dollar against the lira.

The latest trade figures are further evidence of the growing difficulties facing the Italian economy, as well as an indication of declining Italian export competitiveness.

The largest surplus was recorded by the textile and clothing industry with a surplus of L1,259.3bn during the first two months of this year, followed by engineering products with a surplus of L893.4bn.

● China's newly-appointed Communist party secretary-general, Hu Yaobang, attacked the Soviet Communist party yesterday at the start of talks with the visiting Italian Communist leader, Sig. Enrico Berlinguer. Hu told reporters that the Chinese party resolutely opposed "that party which under the banner of Communism interferes in the internal affairs of other countries."

Hu, who was appointed secretary-general only six weeks ago, praised Sig. Berlinguer as "an outstanding fighter of the international Communist movement."

Karamanlis expected to make a bid for Greek presidency

BY N. J. MICHAELSON IN ATHENS

POLITICAL FEVER is gaining momentum in Greece as the date for presidential elections draws closer.

Prime Minister Constantine Karamanlis has still not declared officially whether he wants to step up to the presidency which becomes vacant when the five-year term of President Constantine Tsatsos ends on June 20. But it is commonly accepted that, at 73, he is unlikely to pass up the opportunity. He is expected to announce his decision at a Cabinet meeting on Friday.

After restoring and consolidating democracy in Greece after the seven years of military dictatorship, and leading the country to the threshold of the European Community, Mr. Karamanlis appears to be losing touch with the volatile Greeks. They are disgruntled with many of his policies

Should he decide to announce his candidacy, he will be relinquishing the premiership without having solved the country's external problems—the disputes with Turkey over Cyprus and the Aegean, and the interrelated problem of Greece's bid to return to NATO's military structure.

Mr. Karamanlis: decision on Friday

Whoever takes the helm of the ruling New Democracy party will have to tackle these complex and sensitive issues and also domestic economic difficulties, not least that of inflation which this year is again expected to exceed 20 per cent (it reached 24.5 per cent in 1979) and a dangerously widening balance of payments deficit. He will also have to hold together a party, which like most Greek parties, depends largely on its founder.

Mr. Karamanlis, indeed, could have problems getting elected to the presidency. The New Democracy commands 174 of the 300 seats in Parliament, 26 votes short of the 200 required for election on the first or second ballot.

Mr. Andreas Papandreou, leader of the Panhellenic Socialist Movement, which has 93 seats, claims the present Parliament no longer represents the composition of the country's political forces and has said his party will boycott the presidential elections.

The Moscow-orientated Greek Communist party, with 11 seats, will not vote for Mr. Karamanlis. But it is generally agreed that he could easily obtain the 180 votes required in a third ballot, with help from independents and members of the five smaller parties. These latter would not stand to gain by precipitating an early general election, which would follow the failure to elect a President on the third ballot.

The departure of Mr. Karamanlis from the premiership is not expected to affect foreign policy because the New Democracy party remains in power until November, 1981.

East bloc seeks talks on energy

By Brij Khindaria in Geneva

THE SOVIET UNION and its allies are putting increasing pressure on western nations to call a conference of ministers to discuss the growing energy problems of Europe and North America.

The 34-country United Nations Economic Commission for Europe (ECE) opened its two-week annual session here yesterday against a background of intense bargaining over an East bloc demand that co-operation on energy must be made a pillar of economic detente.

The demand, first made four years ago, is being resisted by Western governments, which do not want to be involved in any energy-sharing or similar schemes with the Soviet Union.

A recent ECE report sasy the Soviet Union has wasted so many resources, including energy, through mismanagement an doutdated production methods, that Eastern bloc nations may face economic crises in coming years.

Another major issue at the session will be preparations for the conference in Madrid next November

Agreement in sight on sea treaty but contentious issues remain

BY DAVID TONGE

A BINDING international treaty to cover mining of the seabed and to set out the rights of all countries to the sea and its resources could be agreed by the end of August.

That is the view of the U.S. delegates to the Law of the Sea Conference. But other countries preparing for what is intended to be the final negotiating session in Geneva from July 28 to August 29 warn that so early a successful outcome ois still only "an outside possibility."

However, considerable progress was achieved at the latest session of what has becom latest session of what has become the world's largest diplomatic marathon. The four-week session which ended in New York 10 days ago not only narrowed down the number of unresolved issues but also agreed on second revision of a negotiating text of a sea treaty.

Mr Elliot Richardson, chief U.S. representative says that after six years "it is now distinctly possible" that the work will be completed at the Geneva meeting. Howevr, Mr. Shirley Amerasinghe, president of the conference, fears that many countries appear to be waiting until the last moment so as to extort final concessions.

The most contentious issue is still how many votes will be necessary to block decisions by the proposed council which will run the International Seabed Authority to oversee the exploitation of the mineral nodules on the seabed on behalf of mankind as a whole.

This issue was scarcely addressed in New York, but Mr Amersinghe warns that if no agreement can be reached on this "then the whole thing collapses like a house of cards."

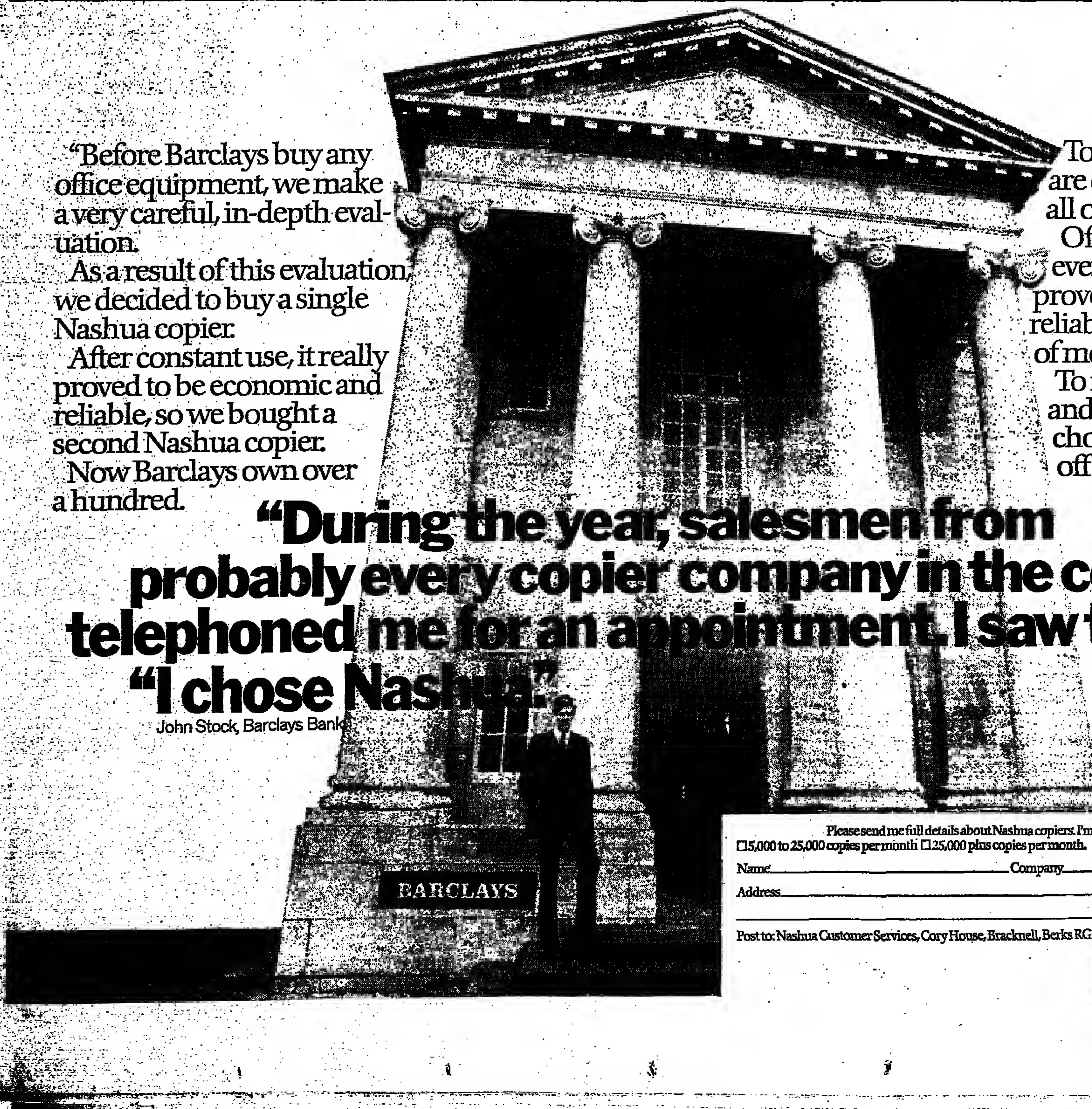
The developing countries insisted that discussion of voting procedures should be held over until agreement had been reached on other mining issues, such as the financing and taxing of seabed mining and the supranational enterprise which will be in charge of this. These issues are crucial, with developed countries such as th U.S. resisting attempts by the developing world to put them under severe obligations on matters such as the transfer of the technology necessary to exploit the seabed.

At the latest session negotiations dragged on causing even those accustomed to the arcane ways of the UN to near the end of their tether. But sufficient progress was reached on a range of problems—including mining, marine scientific research and the definition of ocean ridges and the outer limits of continental margins—for it to be agreed that new legal formulae on these should be incorporated into the existing negotiating text.

This is to be done before the Geneva meeting. There, the revised negotiating text must be upgraded into a draft convention. In turn, this must then be adopted, preferably by consensus rather than by voting.

The conference has already agreed on the rules to govern navigation of the world's shipping; on rules over pollution; on the exclusive economic zones of up to 200 miles from the coastline to be given to coastal states; on the fishing concessions to be given to non-coastal states.

It is also proposed that states with wide continental shelves should share with others a proportion of revenues from oil and other resources found between 200 and 350 miles from the coast. After 350 miles states have no rights.



OVERSEAS NEWS

Japanese exports of steel to Tehran to wind down

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN'S steel indsutry, which has contracted to ship 650,000 tons to Iran during the first six months of this year, does not expect to negotiate any further export contracts "for the time being."

Nippon Steel, the indsutry's largest company, said that talks on exports might be restarted in September. This, however, would leave a gap in the shipment schedule from the middle of the year onwards.

Steel companies deny receiving instructions from the Japanese Government to suspend exports to Iran. Despite this, the indsutry's decision not to hold further talks on exports must be seen in the context of the Iran-U.S. crisis: Japan is a major exporter of steel to Iran in normal times.

Exports exceeded 3m tons a year in the last few years before the Iranian revolution, although in the first half of 1979 when the revolution was at its height only 150,000 tons were shipped.

Japan's exports to Iran, which were worth $925m (£420m) in 1979, have been picking up sharply in recent months with $173m wor th of shipments in February and $238m in March.

High export figures may continue into May but the figures should level off after June as steel shipments (which account for about one quarter of total exports) begin to tail off.

Anti-Iraq strikes in Lebanon

BY IHSAN HIJAZI IN BEIRUT

LEBANON'S Shi'ite community went on strike yesterday to protest the arrest in Iraq of Imam Mohammed al Bakr al Sadr, the spiritual head of over 6m Iraqi Shi'ites.

Shi'ite militiamen dressed in combat fatigues and carrying Soviet-made AK-47 automatic weapons forced shops in Beirut to close and blocked streets with burning tyres.

A demonstration led by Shi'ite clergymen marched in the predominantly Shi'ite southern suburbs of the Lebanese capital. Demonstrators, including women chanted slogans, condemning the Iraqi regime of President Saddam Hussein and hailing Iranian religious leader Ayatollah Ruhollah Khomeini.

The demonstrations came as the tension between Iraq and Iran reached a peak. Shi'ites throughout the Arab world have rallied to the support of Tehran against Baghdad giving the conflict a sectarian tinge.

Imal al Bakr al Sadr was reported t ohave been arrested along with several members of his family by the Iraqi authorities in Baghdad about two weeks ago.

He was implicated in the reported discovery of a secret organisation allegedly linked to Ayahollah Khomeini.

Press speculation here that he has already been executed could not be confirmed. The report emmanated from a decision taken by Iraq's revolutionary council imposing the death tensence on all members of the secret organisation, the self-styled "al Dawa," or the call.

The state-controlled Press in Baghdad on Monday carried a decree issued by President Hussein obsolving runaway members of the group from the eath penalty if they give themselves up within two weeks and provide the authorities with information about other members and the organisations activity.

Iraqi newspapers said the group was out to overthrow the Iraqi regime by force. The fact that it is being handled by the ruling Revolutionary Council itself demonstrates the gravity with which the Iraqi authorities view the situation.

Communist sees new uprising

BY LESLIE COLITT IN BERLIN

A PROMINENT Iranian Communist says Iran is now in the second stage of its revolution and will enter the third and final stage after a further struggle has taken place and has been decided "in favour of the people."

Mr Ali Aavari, a member of the Politburo of the Iranian Peoples' (Tudeh) Party, has outlined the goals of the Iranian Communists in a leading Communist periodical published in Czechoslovakia.

Until now, the small Tudeh Party has been reluctant to reveal its aims because of its strong links with the Soviet Union.

The third stage of the revolution will consist of the "transformation of social conditions in the interests of the working people," Mr Havari writes. In Soviet and East European usage, this means rule by the Communist party.

He notes that this will only be possible after the "final result of the struggles between the opposing class forces," and that the central question of the revolution—who defeats wrom?—must be decided in favour of the people.

The current, second stage of the Iranian revolution, he says, is characterised by its "radicalisation." At this stage the Tudeh Party supports the Ayatollah Khomeini because his aims coincide with their own programme and policies."

However, the party's analysis means it will now propose a "broad popular front" of forces supporting the Ayatollah, says Mr. Havari. Iranians know they are not alone in their struggle against the United States and that they have the "resolute support" of the Soviet Union.

Malaysia law to curb unions

BY WONG SULONG IN KUALA LUMPUR

THE MALAYSIAN Government and unions are set for confrontation following Parliament's approval, after seven hours of debate, of a sweeping law that will drastically curb the unions' powers.

The first test of strength will be on April 21 when the Malaysian Trade Unions Congress which has 126 affiliates with over 500,000 members, hold a nation-wide picket to protest against the law despite Government warnings that the picket is illegal.

The congress said the new law is "anti-Labour, very harsh and very repressive." Along with opposition parties, it accused the Government of selling out the interests of Malaysian workers to foreign investors.

Under the new law, the authorities can suspend any union for six months on security grounds, ban union funds from being used for political activities, arrest union members for violating any labour laws, and prohibit unions from challenging Government decisions in court, unless on a point of law.

Rules governing strikes are tightening, only workers directly involved in a dispute can strike. The term "public utility service" is replaced by the phrase "essential service" where workers are prohibited from striking at all.

A wide range of new occupationns, including bank employees and civilian staff with the armed forces and police, are brought within this category. So are airline employees.

The legislation was prompted largely by government irritation last year at what it considered interference by foreign unions in a dispute involving employees of the Malaysian Airline System (MAS).

Transport workers in Australia refused to service MAS aircraft after the Government arrested more than 20 members of the airline employees' association which had ordered a go-slow in pursuit of a pay claim.

The boycott resulted in an MAS aircraft being grounded for over a month in Sydney.

The Malaysian Government, which through its two-thirds majority in Parliament and its Internal Security Act has virtually unlimited powers at home, felt itself humiliatingly vulnerable to pressure from abroad. The Act is aimed at preventing a repetition.

Zia to meet Gandhi at Zimbabwe celebrations

By David Housego

PRESIDENT ZIA-UL-HAQ of Pakistan and Mrs. Gandhi, the Indian Prime Minister, are expected to have talks on the future of Afghanistan during the celebrations in Salisbury later this week on the independence of Zimbabwe.

It will be the first direct contact between the two leaders and follows a flurry of diplomatic activity in the region to find some way of defusing the crisis in the aftermath of the Russian invasion.

No formal meeting has been arranged but it is being recalled that President Zia had his first discussions with the former Indian Premier, Mr. Moraji Desai, during similar circumstances on the occasion of the funeral in Nairobi, President Kenyatta of Kenya.

It will also be the first occasion that President Zia has left Pakistan since recent rumours of an attempt coup against him. Effectively in charge during his absence will be General Mohammed Iqbal Khan who has just been appointed Chairman of the Joint Chiefs of Staff.

His appointment to this post is seen as a sign of General Zia's continuing strength in the armed forces.

Of the senior commanders, General Iqbal was one of the most critical of the execution of Mr. Bhutto and of the postponing of elections. His name was also linked with the recent coup rumours.

Recent diplomatic activity in the region has included a visit to Pakistan by the foreign Indian Foreign Minister Mr. Swaran Singh.

He is said to have pleased the Pakistani regime by assuring it that India wanted to continue diplomatic exchanges

Though India and Pakistan are far apart in their positions on the future of Afghanistan, both havea common interest in minimising super power rivalry in the region.

With both the Russians and the U.S. building up their forces, President Zia and Mrs. Gandhi are expected to try and find common ground in seeking to avoid further confrontation.

Recent efforts by the Cuban Foreign, Mr. Isidoro Malmierca to mediate between Afghanistan and Pakistan met with no success. Though little of substance is likely to follow from talks between President Zia and Mrs. Gandhi, Pakistan is leaning closer to the Indian view that the states of the region must consult to prevent the conflict spreading.

Pakistan's diplomatic priority is for the withdrawal of Russian troops from Afghanistan. In line with the decisions of the conference of Islamic foreign ministers in January, it has severed formal contacts with the Kabul regime though not broken off diplomatic relations.

Afghanistan was also expelled from the Islamic conference.

India is seeing both the withdrawal of Russian troops and an end to foreign interference in Afghanistan's affairs. Of continuing concern to Mrs. Gandhi is to prevent the rearmament of Pakistan under what India regards as an unstable military regime.

AMERICAN NEWS

U.S. steelworkers vote on pay deal

BY IAN HARGREAVES IN NEW YORK

DISTRICT representatives of around 300,000 steelworkers were yesterday voting on a three-year pay contract, the terms of which appear to be somewhat more moderate than last year's motor industry settlement.

Mr. Joseph Odorcich, vice-president of the United Steelworkers Union, who has been leading the talks for the union side because of the illness of Mr. Lloyd McBride, the union president, told regional officials that the proposed contract was the best in the union's history.

Few details were immediately available, but the contract apparently calls for hourly increases of 25 cents in the first year, 20 cents in the second and 15 cents in the final year. It was not possible to judge the value of the offer in percentage terms or to relate it to the maximum three-year increase of 31.3 per cent permitted under the Government's voluntary wage guidelines.

It did appear, however, that the union had honoured its plege to avoid stepping up cost pressures on a struggling industry by not insisting upon any improvement in the cost of living formula.

The United Autoworkers Union won such an improvement last summer and it had been expected that the steelmen, traditional rivals with the car workers as the country's best paid industrial workers, would seek a similar deal.

The problems of the steel industry were underlined yesterday when the American Iron and Steel Institute reported that employment in the industry in January sank to just over 431,000—its lowest level since late 1975.

The steel union has, however, won at least a substantial part of its claim for improvements in its members' retirement pay, probably as a trade-off over cost of living increases.

Another important point still unresolved is whether the industry's radical six-year-old experimental negotiating agreement, which guarantees there will be no national strike over pay contract bargining in return for the cost of living component of the contract, will continue.

Campaigning Manley 'fired on'

BY CANUTE JAMES IN KINGSTON


Mr. Manley . . . losing support

MR. MICHAEL MANLEY, the Jamaican Prime Minister, said yesterday that gunmen had fired shots at him while he and a 500-strong delegation from his People's National Party strolled through the streets.

His charge came as public opinion polls showed that the Opposition Jamaica Labour Party (JLP) is leading the PNP by about 10 per cent in popular support. No date has yet been set for a general election but compaigning is in full swing.

Mr. Manley said two months ago that elections could be held by October, by which time he had expected that a bipartisan electoral reform committee would have completed its work on controlling fraudulent voting.

The committee said, however, that it could not complete its programme before December, implying the elections could not be held until next year. Following suggestions by the JLP leader, Mr. Edward Seaga, to speed up the reform process, the Prime Minister has asked the committee to make efforts for an early vote and it appears that the elections will be possible during the summer.

The 10 per cent advantage in popular support which the polls show for the JLP indicates that the Opposition party has been dramatically increasing its lead over Mr. Manley's administration. Polls at the end of last year showed a JLP advantage of 3 per cent. If this continues, it is likely that when the votes are counted, the JLP will command a Parliamentary advantage close to that now held by the PNP—47 of the 60 seats in the lower house.

The elections were announced by Mr. Manley so that the people would decide on what economic strategy the Government should follow and whether the International Monetary Fund should have a role—in the island's economic life.

The ruling party, in keeping with its recent decision to terminate all nagotiations with the IMF for foreign exchange support, has been advocating an economic policy based on alternative sources of funding. The PNP's platform has seen increased agricultural production, increased exports and further austerity such as a reduction by about 20 per cent in the island's fuel imports.

Part of this economic strategy has been the attempt to reschedule as much as possible the payments on the island's $1.3bn of foreign debt. In this way, the PNP says, the island can be free of the conditions which the IMF sets when it grants its loans.

Norway may finance bauxite project

BY PAY GJESTER IN OSLO

NORWAY MAY help finance a $300m Jamaican Government plan to expand output of aluminium oxide, made by processing bauxite from the isinad's own mines. The Norwegian Government announce dthis week that it would shortly begin negotiations about the project with the Jamaican authorities.

An official Norwegian delegation which has studied the scheme, has recommended participation — under a 90 per cent Norwegian State guarantee — by three Norwegian aluminium-producing concerns which could become important customers for the oxide, the raw material for aluminium production. The three concerns who were represented on the delegation are Ardal og Lunndal Verk (100 per cent State owned), Norsk Hydro (52 per cent State owned) and Elkem-Spigerverket.

It is suggested that together ...they could take a stake of about 30 per cent in a new 1m tonnes per year oxide plant, to be created by doubling capacity at an existing facility. Jamaica Bauxite Mining—a Jamaican State-owned company—would have a stake of just under 20 per cent while Alcoa, which owns 94 per cent of the existing plant would hold 51 per cent of the new one.

Because of Jamaica's difficulties in raising foreign finance, following its break with the IMF, Norway would probably have to help finance Jamaica Bauxite's stake in the undertaking as well as providing the 90 per cent State guarantee for the Norwegian partners' investment.

This guarantee—against possible losses as a result of political ....upheavals—is granted to approved investment in developing countries. Since current allocations for this purpose are almost exhausted, a final decision to go ahead with the Jamaican project would probably have to be submitted to the Norwegian Storting (Parliament).

Perez starts defence on shipping deal

BY KIM FUAD IN CARACAS

FLAMBOYANT former President Sr. Carlos Andres Perez, charged with direct responsibility in the controversial purchase of an overpriced ship in the last days of his Administration, started his defence to Congress yesterday in a landmark debate over corruption in Venezuela's oil-rich Government.


Sr. Perez

The debate, which followed the findings of a special Congressional committee charging Sr. Perez and high-ranking members of his Government with "moral, political and administrative responsibility" in the June, 1977 purchase of a $20m Norwegian-built refrigerated ship, pits Sr. Perez against members of his own party as well as the ruling Social Christian Copei Party.

To date Sr. Perez has been found responsible in approving the purchase of the Sierra Navada for $8m more than its real price. Government investigators and Congress, however, have dodged the prickly issue of prosecuting the ex-President.

Early in March, some seven months after the controversy arose, when Judge Hector Marcano Battistini decided to issue arrest warrants for seven people involved in the ship purchase, he declared himself incompetent legally to define the role of Sr. Perez and Sr. Luis Alvarez Dominguez, the former Development Minister, as well as Sr. Jose Actavio, former Comptroller-General.

The Venezuelan Supreme Court must determine whether to prosecute Sr. Perez, according to Judge Marcano.

Sr. Perez himself has admitted to negligence in the purchase of the Sierra Nevada, but says he was ignorant of the problem at the time and insists that the President of the Republic is not responsible for administering state funds. "I have absolutely nothing to fear since my Government was neither indolent nor did it cover up . . . administrative corruption," Sr. Perez said on hearing of Judge Marcano's decision.

According to public opinion surveys, most Venezuelans feel that during Sr. Perez's five-year administration — which had oil income of about $10bn a year — corruption was rife. The Sierra Nevada purchase has been singled out as an exemplary case.

President Luis Herrera Campins and his Copei party made Government corruption the centre of their successful campaign in the December 1978 elections. Since then, Copei has steadily attacked Sr. Perez, denouncing the Sierra Nevada deal in mid-1979 and directly charging Sr. Perez with responsibility at the beginning of this year.

Sr. Perez, moreover has had to face attacks within his party, led by Sr. Romulo Betancourt, Accion Democratica founder and former president, who had groomed Sr. Perez as an heir to party leadership, but now has disinheritad him. The Congressional debate could cause a split in Accion Democratica.

James Buchan lifts the veil from Saudi Arabia's next Five-Year Plan, scheduled to be revealed in May

$300bn bonanza will bring unique export chances

AT A time when the industrial powers and the Third World are heading into recession, Saudi Arabia is proposing to continue its programme of Government spending for development.

As early as the middle of last year, Crown Prince Fahd and his Ministers approved a ceiling for spending over the next, the Third, Five-Year Plan, of $247bn.

The Plan is scheduled to see the light of day in May. Recent months in Riyadh have seen lengthy, and often acrimonious, discussions between the Saudi Planning Ministry and individual government agencies over appropriations.

Inevitably, the increases in the price of Saudi crude since last summer, the return of large budget surpluses, and the savage domestic disorders of the winter have argued for higher spending.

It is now expected that the ceiling will be lifted, as happened in the run-up to the Second Plan in 1974-75, possibly to as much as $300bn. The opportunities for export business are almost certainly unique. For the Saudi Government will not find it easy even to stay within the higher level.

Saudi Arabia could not be more different from the world's other centrally planned economies, but publication of the Plan is awaited eagerly by both Saudi and foreign businessmen. Government spending on oil revenue remains the pre-eminent force in the economy, and the budget the greater the economic activity all round.

The oil sector still accounts for at least 60 per cent of Gross Domestic Product with other Government spending taking up a further 21 per cent in 1979. The private sector, which includes many civil servants and members of the Royal Family, produces less than a fifth of GDP.

Not surprisingly, given the difficulties of starting almost from scratch, the Second Plan proved wanting. It went a long way toward reaching its prime goal of creating the basic infrastructure of an industrial state while various mechanisms (subsidies, land compensation and agency arrangements) gave a substantial boost to living standards in all but the most remote areas.

What the planners had not expected was an awesome real estate boom, a flood of foreign labour, a rush in demand for building material and consumer goods that brought the ports to a standstill, double-figure inflation and widening social divisions.

The most gloomy analysis of the last Plan is that 60 cents of every budget dollar was going to waste, corruption or duplication is strictly budgetary terms, the target of $142bn for the Second Plan has been overrun by about $60bn.

Actual expenditure of dollars, a far more accurate measure of Government disbursement in Saudi Arabia than the budget, had risen to nearly $60bn a year by 1979 because of concealed defence and compensation payments, unbudgeted projects, subsidies and the unregulated drift of private-sector capital overseas.

It is significant that in the new Plan's "national strategies," the figure of 831.36bn Saudi riyals is a ceiling "which spending should not exceed" rather than a target, as in the mid-1970s when it was feared the economy could not absorb the kingdom's revenue.

That it has been revised upwards is because nearly all proposed projects will be budgeted for; and Ministries will be tightly restricted in their access to supplementary allocations, contract extensions and all the loopholes that allowed spending to exceed revenue in 1978 and 1979.

The planners are much more effective than in 1975 and know that simpl yto articulate the goal does not mean it can be achieved. The sheer ambition of the projects launched then, the industrial cities of Jubail and Yanbu, the King Khaled military city, Jeddah airport and the universities, is coming home in cost escalation undreamed of in the mid-1970s.

Eventually, the Jeddah airport could cost $10bn to build, 50 times its original estimate in purely cash terms. Major public sector construction, as a generator of both corruption and demand for foreign workers, has not been a happy experience.

It is not surprising, then, that the new Plan attempts to set a bias against new construction at the outset, and is in favour of "productive" investment in industry and agriculture and, rather optimistically, mining.

Strategy IV calls for a reduction in "the volume of investment in infrastructure except as needed by the productive sectors" and to avoid "squandering of resources."

THE MAIN POINTS

- Light industry: the major thrust
- A new stock market
- Small towns to boost agriculture
- More work for women
- Compulsory military service
- Balanced oil production
- A new national anthem

In this clear attempt to shift the foundation of the economy away from infrastructure, the Government is also trying to reduce its own role. The planners in 1975 had not expected the vigorous response of private landlords to the influx of foreign workers, and the need for better housing, food and transport.

The grand public housing projects ordered by the Government at over £1,000 a square meter have been completed but not let. Yet, a report of a Planning Ministry team last year found every area of private business—and particularly commerce—crippled by low productivity, poor management most of it foreign), inadequate finance and marketing, contradictory regulations and an almost complete absence of information about Government policy on the economy in general.

The major thrust will be in light industry, where the attraction has dimmed now that demand for building materials has been met. Apart from government cheap finance and research, the Plan suggests the banks should be prodded into project finance, possibly by some relaxation of the strict conditions imposed by the Saudi Arabian Monetary Agency.

"Monetary tools" are to be created, presumably to combat the periodic droughts and floods of liquidity that have bedevilled the Saudi market for two years; bankers believe these may include a "discount window" that the government's distaste for interest has so far ruled out. The Plan proposes a stock market although only about 20 issues are now being traded and the Kuwaiti experiment last year was a fiasco.

But the government almost certainly feels that the absence of opportunities for the small investor contributed to last year's 10 per cent increase in net Saudi demand for paper gold and a veritable floor of capital overseas. Saudi Telephone and the airline, Saudia, are among the state operations to go public.

The commitment to agriculture is spelled out. This sector has seen a persistent decline in recent years, because of the drift to the towns, a misguided policy of subsidies and the vast expense of extracting water from abundant supplies of very deep groundwater.

An interesting proposal is for the development of "selected" small towns in the countryside which have growth possibilities.

Labour remains the major problem and, is finally recognised as such in the Plan. The Second Plan's projections for new foreign workers had been exceeded more than two-fold by last year, and the main government response has been to make life extremely difficult for employers.

The Planning Ministry report on the private sector found the greatest abstacle to efficiency was "the apparent administrative restriction by the Interior Ministry on the employment of foreign workers."

The foreign component in the workforce is to be reduced while actual numbers are to be held steady at about 1.7m. Access to the universities is to be restricted in favoor of technical schools.

At least half the potential Saudi workforce—women—are severely restricted in the areas they can work. The Plan proposes that these areas should be widenend, while the families of foreign workers should also be mobilised. Time will show if this can be achieved.

The long-heralded call for compulsory military service appears in the Plan although the proposal is so unpopular in the Royal Family (as well as the government and public), are so at variance with the manpower policy, that it is unlikely to progress far.

The 10 petrochemical projects under discussion did not begin to progress until 1979, but their economic feasibility has actually improved and five more agreements will be signed this year with partners from the U.S. and Japan, according to the chief executive of the Saudi Basic Industries Corporation.

The commitment to export refining, which is less justifiable, also remains. The Plan assumes that 12 per cent of total petroleum exports will be refined at home by 1985, persumably at projects now under discussion for Jubail, Yanbu and Rabegh.

Equally, there remains a commitment to goals that are not in the Government's complete control and are only partially in the purview of Hisham Nazer, the Planning Minister.


Crown Prince Fahd

Strategy XI calls for "a level of oil production sufficient to meet the needs of the development plan," taking account of earnings from the budget surplus (likely to be about $27bn in 1980). Total oil revenue and interest on the surplus is to meet the overall five-year target of about a trillion riyals.

The Plan does propose greater effort to balance oil production away from the easy-to-produce and easy-to-sell light grades. In the new Plan, the fields that have been exploited heavily will be developed more carefully "to reach optimum levels of production for each field." This could prove an administrative obstacle to higher production.

A new national anthem is to be written to a tune composed in Egypt in 1946 to celebrate a Saudi Royal visit. Even members of the Royal Family do not recognise the tune.

W. Germany and China sign raw materials pact

BY ROGER BOYES IN BONN

WEST GERMANY and China are intensifying their joint efforts to explore, develop and eventually exploit important Chinese mineral reserves and offshore oil deposits.

The two countries yesterday signed an agreement which provides for the financing of teams of German and Chinese geological experts to investigate the raw material potential in China.

The co-operation is seen to be of great long-term significance by the West Germans, principally because it would lessen Bonn's dependence on raw material deliveries from such politically vulnerable areas as southern Africa. At the same time, it is clear that German companies would stand strong chances of winning contracts for the exploitation and marketing of raw materials should preliminary exploration prove successful.

The German geological effort—co-ordinated by the Federal Office for Geo-sciences and raw materials — is concerned with two principal projects. These are the exploration of the metallic minerals of niobeum and tantalum deposits in the province of Hunan and of offshore oil deposits in the East China Sea.

Chine appears to have shown unusually high-level interest in the co-operation, although it is still at an early stage. The original framework agreement was signed last year by Mr. Fang Yi, Chinese Deputy Premier and provides for German know-how in exchange for the eventual delivery of some of the minerals involved.

China's interest in exploiting offshore oil reserves has already resulted indirectly in business for W. Germany. Mannemann Demag, for example, has won a DM 440m contract for the supply and construction of a continuous steel rolling mill

Some W. German companies — such as Orenstein und Koppel — are already supplying China with hydraulic shovels but the main focus so far has been on coal mining. China produces over 600m tonnes of coal a year.

The Chinese have also recently made clear that they would welcome increased credit-financed trade or joint ventures with W. Germany in the near future.

Reuter adds from Peking: A U.S. delegation has arrived here for an initial round of formal negotiations to establish a civil aviation agreement with China. Mr. B. Boyd Hight, U.S. Deputy Assistant Secretary of State for Transport and Communications, said it was hoped the two sides would at least exchange drafts of agreement.

● A mission of British consultants accompanied by the Duke of Gloucester is to visit China from April 21 to 30 at the invitation of the Chinese State Capital Construction Commission (SCCC).

U.S. judge dismisses TV dumping charges

BY STEWART FLEMING IN NEW YORK

A FEDERAL judge in Philadelphia has dismissed most dumping charges which U.S. electrical goods manufacturers Zenith Radio and National Union Electric (a subsidiary of Electrolux) have brought against Japanese manufacturers.

The decision is a steback for the U.S. producers who have alleged that seven Japanese electronics concerns have conspired to put U.S. electronics companies out of business.

The U.S. television industry has been complaining for several years that the surge in Japanese penetration of the U.S. market has been accompanied by dumping of Japanese manufacturered sets. Dumping involves exporting to a foreign market and selling at less than "*fair value*," *that is*, below production costs or the prices at which the same product is sold in the producers' domestic market.

U.S. manufacturers have failed, however, to successfully enlist the support of the U.S. Government, and indeed have complained bitterly about the reluctance of the authorities to pursue anti-dumping charges against Japanese producers of TV sets.

The judge's ruling has dampened their hopes of success in the private anti-dumping action. The judge has ruled that Japanese and U.S. television sets are not comparable in grade and quality and therefore dismissed the dumping complaint. He has asked, however, that any appeal should be reviewed speedily so that the trial on the conspiracy allegations can proceed with the dumping issue resolved.

Ford import licences suspended by Spain

By Our Madrid Correspondent

THE SPANISH Trade Ministry has decided to temporarily suspend import licences for two types of Ford saloon car—the Granada and Taunus models—following allegations that Ford is selling the cars in Spain at well below market prices.

The Ministry reached its decision over the weekend after a joint protest by local car manufacturers. They fear the Government's earlier decision to allow Ford to import 15,000 units of the Taunus model this year and to sell them in Spain at extremely low prices, will have a direct negative impact on the sales of locally produced saloon cars.

However, in January, when the Government agreed to allow Ford to import 4,000 cars of the Granada model, which were also to be sold at below market prices, local manufacturers were slow to react. The small number of cars involved ond the fact that the Granada only really competed with other imported cars apparently made the local industry feel that o formal protest ...was ...not ...then necessary.

Underpinning the controversy is a series of complicated decisions made by the Administration. Ford originally requested to import the two models late last year, to take advantage of liberalisation measures now being introduced in the car industry with a view to Spain's future membership of the EEC. However, as these measures were not then in force, the Trade Ministry stipulated that both the Granada and the Taunus cars would have to be sold in Spain at prices that were 2.33 times more than their original cif prices in West Germany, where the two cars are produced.

In the case of the Granada, whose market price in West Germany is about Pesetas 900,000 (£5,275), this stipulation suggested that the cost of the car is actually selling for Pesetas 1.08m (£6,870). Similarly the selling price of the Taunus model agreed to in Spain is almost identical to the West German market price.

The reason for the low figures is that, in both cases, Ford declared that the cif prices paid in West Germany were about half the market prices

However, a question mark that emains in the minds of local manufacturers is why the Spanish Ministry of Trade accepted the low figues when the market pirces of the cas in West Germany were available to officials.

Rhys David examines a special report on the European textiles industry prepared for the EEC

Automation is key to healthy clothes trade

EUROPE'S clothing industry can survive and compete much more effectively against low cost imports if it is given the necessary support to develop the capital-intensive labour-saving technologies.

This is the conclusion of a special report commissioned by the EEC from Kurt Salmon Associates, management consultants specialising in the textile, clothing and retailing industries.

The report which is an attempt by the EEC to find a second string to its textile policy other than protectionism, warns, however, that time is not on Europe's side if its wishes to preserve its apparel industry.

The key problem for the industry in developed countries is the labour intensive nature of garment - making operations, most of which still depend on traditional manufacturing methods also available to developing country producers with much lower wage costs.

The KSA study, organised from the firm's UK offices by two of its British-based consultants, Mr. Stephen Webb and Mr. Stuart Hollander, claims that the weighted annual average cost of each of the 2.7m people employed in clothing in high wage countries is $12,000 (£5,500) compared with $2,000 in developing countries.

Industrialised countries cannot hope to overcome the whole of this cost advantage but, with the use of improved technology, some of the advantage can be eliminated. This, together with other assets which the industry in developed countries has—such as its ability to offer better service, marketing support, and more efficient distribution—can, the study claims, bring Western manufacturers back into competition with Tihrd World suppliers. It warns, however, that technology on its own its no panacea. The industry in developed countries must also make sure it is competitive in other areas such as fashion, styling and delivery.

There are several important reasons, the study suggests, why the developed countries will want to stay in clothing and need to find ways of doing so. These include the strategic need to be able to clothe the population in the event of war, the threat toth e jobs in upstream sectors such as textiles, the impact of total import dependence on the balance of payments, and the importance clohting plays as an employer of women.

The area where technology is needed to make a significant breakthrough is in reducing the amount of non-productive time in apparel manufacturing. Making clothing is largely an assembly operation and the parts do not lend easily to other than human manipulation. Thus, although the sewing process has benefitted from constant technical advance, 80 per cent of the workforce in clothing, according to the report, still spends 90 per cent of its time picking-up, positioning, manipulating and removing one or more pieces of fabric around a stitch-making device.

The high cost of developing the radical new approaches likely to be needed is such as to make it unlikely that any apparel or machinery manufacturer will be willing to take the risk. For this reason there will have to be backing, the consultants argue, either at national government or European level.

The main body of the report, which has been delivered to the EEC Commission and AEIH, the European association of garment producers, is an examination of ways in which clothing manufacture could move forward technically, based on studies by manufacturers and research institutes in the UK, the U.S., Japan, West Germany, Italy, Sweden and France.

From these studies — undertaken jointly with KSA executives in the countries concerned —several areas of a potential breakthrough in technology, offering significant reductions in garment manufacturing costs, are identified. The first and most promising is full automation of particular stitching cycles enabling operators to load a magazine of parts and leave it to the machine to carry out the complete operation on its own.

The next line of possible development, possibly drawing on robot technology, is automation of a sequence of different operations on a group of machines.

The overall conclusion drawn by the authors is that technology in existence or at various stages of development can improve the corporate performance of companies in the clothing industry and enable products to be manufactured at more competitive prices. The scale of investment required — much of it likely to depend on State funds — will tend to the creation of much bigger, more capital intensive clothing enterprises.

The report points out, however, that lack of confidence is a significant factor in discouraging investment within the industry and partly for this reason it urges the EEC to offer a firm lead in implementation of the recommendations. The EEC is urged to publish the study in full, to appoint a steering group and working party, to organise symposia, and to determine a budget for assisting the development of apparel manufacturing technology. With action along the lines suggested new technology could within 10 years begin to reverse the decline of the industry

The 1980s: The Decade for Technology? A study of the state of the art of Assembly of Apparel Products prepared for the EEC Commission. Kurt Salmon Associates, 119 High Street, Eton, Windsor, Berks. SL4 6AN.

Decline in Comecon partners' share of Soviet trade

BY DAVID SATTER IN MOSCOW

THE SOVIET UNION'S trade with its Comecon partners increased by 6.5 per cent in last year but Comecon's share of Soviet foreign trade declined as trade with the West rose on the strength of higher prices for Soviet gas and oil.

The Soviet Union's trade with Comecon totalled Roubles 41.7bn (£28.8bn) in 1979 against Roubles 39.1bn in 1978. Czechoslovakia nad Poland showed the biggest increases in trade and Cuba the smallest.

Comecon's share of total foreign trade, however, fell to 52 per cent in 1979 from 56 per cent in 1978. This reflected the higher prices paid by the West for Soviet raw materials rather than a shift away from Comecon. Indeed under the next five-year plan the Soviet Union is aiming to base its trade on greater integration with Comecon and some 150 new long term co-operation agreements are expectd to have been concluded by the 34th Comecon meeting this summer in Prague.

The Soviet Union's surplus on Comecon trade amounted to Roubles 1.76bn last year. Trade with individual Comecon partners was generally fairly well balanced with the exception of Mongolia and Vietnam both of which ran deficits with the Soviet Union.

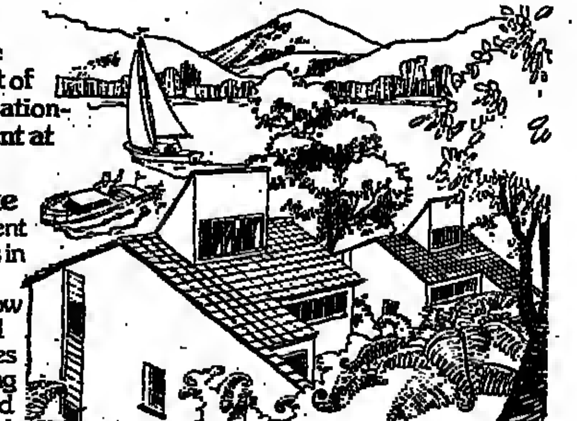
Czechoslovakia's trade totalled Roubles 6.49bn in 1979, an 8 per cent increase over the 1978 total of Roubles 6.14bn while Poland's trade with the Soviet Union increased 7 per cent to Roubles 7.56bn from Roubles 7.05bn in 1978.

Cuba's trade with the Soviet Union, which is supported by the artificially high prices paid by the Soviets for Cuban sugar and a protected rate for Soviet oil, amounted to Roubles 4.25bn, a 2 per cent increase over the 1978 total of Roubles 4.17bn.

East Germany remained the Soviet Union's largest trading partner in Comecon and its biggest trading partner overall, with two-way trade totalling Roubles 8.13bn, a 6 per cent increase over the value of trade in 1978, which was Roubles 7.69bn.

Hungary's trade with the Soviet Union increased by almost 7 per cent in 1979 to Roubles 5.15bn from Roubles 4.83bn in 1978, while Bulgaria's Soviet trade increased 6 per cent to Roubles 6.49bn from Roubles 6.14bn in 1978.

Soviet trade with Rumania, which is less developed than trade with any of the other East European trading partners, totalled Roubles 2.15bn, a 10 per cent increase on the 1978 figure of Roubles 1.95bn. Trade with Vietnam increased 30 per cent in 1979 to Roubles 594m from Roubles 458m in the previous year. Trade with Mongolia rose 4 per cent to Roubles 772m from the 1978 figure of Roubles 743m.



Powerful sweetener sought from microbe

By David Fishlock, Science Editor

TATE AND LYLE scientists and Kent University genetic engineers are attempting to induce a microbe to create a powerful natural sweetener.

The sweetener, Talin, is a protein harvested from berries growing wild in rain forests of West African countries, including Ghana and Liberia.

The berries are being processed by scientists, in a pilot plant at Reading, to extract a white crystalline powder 3,000 times sweeter than sugar.

Talin, a natural product, has been approved for sale in Japan. It may be approved by the British Government "within the next two year," Tate and Lyle said.

But the company has been unsuccessful in cultivating the fruit—about the size of a tomato and bright red when ripe—in West Africa and selsewhere.

Its venture with Kent University, backed by a £90,000 Wolfson Foundation grant, is an attempt to bring the process into the factory through biotechnology.

The idea is to transfer the ability to make thaumatin, the sweet protein extracted from the berry, to a micro-organism such as yeast by genetic engineering, said Dr. Renton Righelato, group research director. The microbe would then be cultivated in a fermenter.

Another route would be to transfer the ability to synthesise thaumatin to a more readily cultivated plant. Dr. Righelato believes this will prove more difficult.

His collaborator in attempts to modify a microbe as manufacturing agent is Prof. Ken Stacey, director of the Biological Laboratory, Kent University.

More U.S. Concorde flights planned

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS plans to increase the number of Concorde flights between London (Heathrow), New York and Washington this summer.

This follows the decision by Braniff International, the Texas-based airline, to end its Concorde agreement with British Airways and Air France from June 1.

Under that agreement Braniff took over BA and Air France Concordes six times a week at Washington, and flew them subsonically to Dallas/Fort Worth and back.

Braniff has dropped the agreement because of soaring fuel costs—up 124 per cent since the arrangement started in January last year.

Braniff did not share in the transatlantic operation of Concorde, and gained the benefit of only those passengers wanting to start or end their journeys in Texas.

Its load factors—the percentage of seats occupied—were low as a result while British Airways and Air France enjoyed load factors of about 60 per cent out of Washington. Even at those levels the Washington traffic has not been enough to make profits.

British Airways says that on the London-New York route the aircraft is making profits, with 12 flights each way every week at load factors of over 85 per cent.

With the additional Concorde flying time available as a result of the ending of the Braniff agreement, British Airways intends to raise the number of New York flights two each way daily on a date yet to be fixed.

At the same time, it is studying the possibility of raising the Washington flights from three to four a week each way. Air France is understood to be considering a similar improvement to its Paris-New York and Washington Concorde operations.

Overall, in the 1979-80 financial year which ended on March 31, British Airways is believed to have incurred a loss of about £2m on its total Concorde operations, including the services to Bahrain and Singapore.

The latter are running at load factors of about 65 per cent, understood to be rising, but profits on the New York route are still inadequate to cover the losses on the Washington, Bahrain and Singapore routes.

For the current financial year, however, British Airways expects to break even on its Concorde operations.

The airline has five Concordes, with a sixth due to be handed over this summer. A seventh aircraft is available at British Aerospace's Filton, Bristol, airfield, but it has not yet been decided whether this will also go to BA.

Since Concorde began operations with British Airways in January 1976, it has carried over 275,000 passengers.

Laker seeks routes to Detroit and Baltimore

BY OUR AEROSPACE CORRESPONDENT

LAKER AIRWAYS, which flies the successful Skytrain low-fare services to New York and Los Angeles, is seeking two more U.S. destinations, Detroit and Baltimore.

This is in addition to an application for rights to fly to Miami from Gatwick, which is to be considered by the Civil Aviation Authority at a public hearing in London next Wednesday. Air Europe, another UK independent airline, has also asked for the Gatwick-Miami route.

Laker Airways believes that, with the growing interest being shown by U.S. airlines in flights to the UK, there is an opportunity for more UK operations to the U.S.

It wants its existing licence from Gatwick to New York and Los Angeles to be amended as soon as possible to include Detroit and Baltimore, with rights to fly to those points up to 1998.

● The Independent Air UK has applied to the CAA for rights to fly between Stansted Airport, Essex, and Paris. The airline was recently denied rights for a limited additional route network from Gatwick to Continental destinations, but believes opportunities exist for scheduled flights from Stansted.

That airport is scheduled to expand, with the Government's long term policy envisaging its development initially to about 15m passengers a year, and further to 25m or more by the 1990s.

This expansion is still subject to a public planning inquiry, expected to start in autumn, but Air UK believes that there is enough traffic already available to make a service to Paris worthwhile from April 1, next year, using turbo-prop aircraft such as twin-engined Embraer Bandeirantes, or jets such as BA One-Elevens.

Shipyard orders in 1979 show recovery

By William Hall, Shipping Correspondent

THE WORLD shipbuilding industry won more new orders in 1979 than at any time since 1974, and there are signs that the worst of the shipbuilding crisis is over.

In its annual report for 1979, Lloyd's Register of Shipping reports that shipowners placed an "unexpected but welcome" 17m gross tons of new orders. This was double the previous year's level of orders.

There was a marked resurgence of ordering by Far Eastern owners.

Lloyd's Register says shipowners ordered batches of ships, a phenomenon not seen for three or four years.

Mr. R. A. Huskisson, chairman of Lloyd's Register, says in his annual report that "while things are not as critical as they were, the state of the shipbuilding industry remains extremely fragile."

Although the overall capacity of the industry has been reduced, world shipbuilding capacity is still over 30m gross registered tons annually. To help cushion the effects of the recession, the world ship order-book appears to have been "elongated" according to Lloyd's Register.

Under normal circumstances the present order book of 28m gross tons would provide the world's shipyards with work for between a year and 15 months, but it is currently providing work for two years.

Japan won 49.6 per cent of new ship orders last year and increased its market share. Lolyd's Register, however, says that the country which made the biggest impression was South Korea.

Lloyd's Register of Shipping is based in London and is the oldest and biggest ship classification society in the world. It employs about 3,600, of which half are surveyors and technical staff. Last year it contributed £25m to the country's invisible earnings.

BL's Metro project will boost output at Longbridge plant

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

BL CAR'S expansion plans for the launch of the Mini Metro in October this year should substantially boost efficiency at the Longbridge, Birmingham, plant.

Giving details of the £285m project, the company said yesterday that the introduction of new highly automated production systems at Longbridge, where the Metro will be assembled, should improve output from the current 16 to 17 cars a year per man employed to 20 this year and to 30 by the end of next year.

For example, the parts of the plant which will produce unpainted body shells will employ 400 a shift, whereas a conventional system would have required three times that number and have been totally uneconomic.

By the second quarter of 1981, output of the Metro should reach the planned capacity of 6,500 a week after its Continental European launch.

But Mr. Ray Horrocks, managing director of BL Cars, said the Metro's future was necessarily bound up with the full implementation of the wages and conditions package which is the subject of the current dispute.

"Unless there is a rapid return to work BL Cars will have to think carefully about the future." This did not mean the Metro project would be halted but the cost of producing the car could make it uncompetitive and it might "wither on the vine."

If the wages package is fully accepted, BL Cars is certain to make money on the Metro because it has costs under control and has the flexibility to fix a competitive price.

As for the new production methods used for the Metro, a committee of 15 senior trade union officials and seven BL Cars managers have met once every two weeks for three years before deciding on the new system. So major disagreements seem unlikely.

No car has been so thoroughly "audited" before its launch as the Metro, said Mr. Mark Snowdon, the director of product development for Austin Morris.

He claimed that BL had succeeded in producing a luxury car, small in outside dimensions but with a great deal of usable interior space, which would be inexpensive to own and operate.

The Metro will start as a hatchback comparable in size to the Ford Fiesta, Volkswagen Golf or Opel Kadette, cars which account for 20 per cent of the UK market and more in France and Italy.

Mr. Snowdon said that because the Metro was an "up market" car BL would continue production of the Mini at Longbridge.

Disputes insurance plan 'may mean more strikes'

BY DAVID MARSH

THE PROPOSED insurance scheme to cover employers against the cost of strikes could lead to more frequent and longer disputes, say two economists writing in Lloyds Bank Review.

But Mr. Brian Chiplin of Nottingham University, and Mr. Neil Doherty of the University of Alberta, Canada, say the scheme outlined by the Confederation of British Industry could reduce the cost of strikes to employers, and might also lead to lower wage settlements.

Such a fund would improve the bargaining stand of employers in negotiations, and theory suggests this would lead to lower wage settlements, on the assumption that no strikes took place.

But the fund is likely to increase uncertaintly of both parties' bargaining, increasing chances of unfulfilled expectations, which could well mean more and longer strikes.

The authors say union members may have greater expectations than their negotiators, who would be aware of the implications of the employers' anti-strike fund.

Research director to retire early

By Ray Perman, Scottish Correspondent

THE DIRECTOR of the National Engineering Laboratory at East Kilbride, Lanarkshire, which carries out research and development for the public and private sectors, is to be retired early and his post downgraded as part of Government expenditure cuts.

Mr. Dennis Mallinson, 58, who has been head of the laboratory for six years and was previously director general of the areo-engine department of the Ministry of Defence, told staff in a circular that he had been under pressure to retire in June, rather than in August next year.

His early retirement will enable the Department of Industry, which runs the laboratory, to appoint a new director at the grade and salary of under-secretary, rather than at the present level which is half a grade higher.

The laboratory, which is involved in the structural testing of large welded joints, such as those used in oil platforms, and the provision of advice, design and data services to companies on problems of heat transfer, fluid flow, computer aids to manufacturing, metrology and hydraulic systems, is highly regarded.

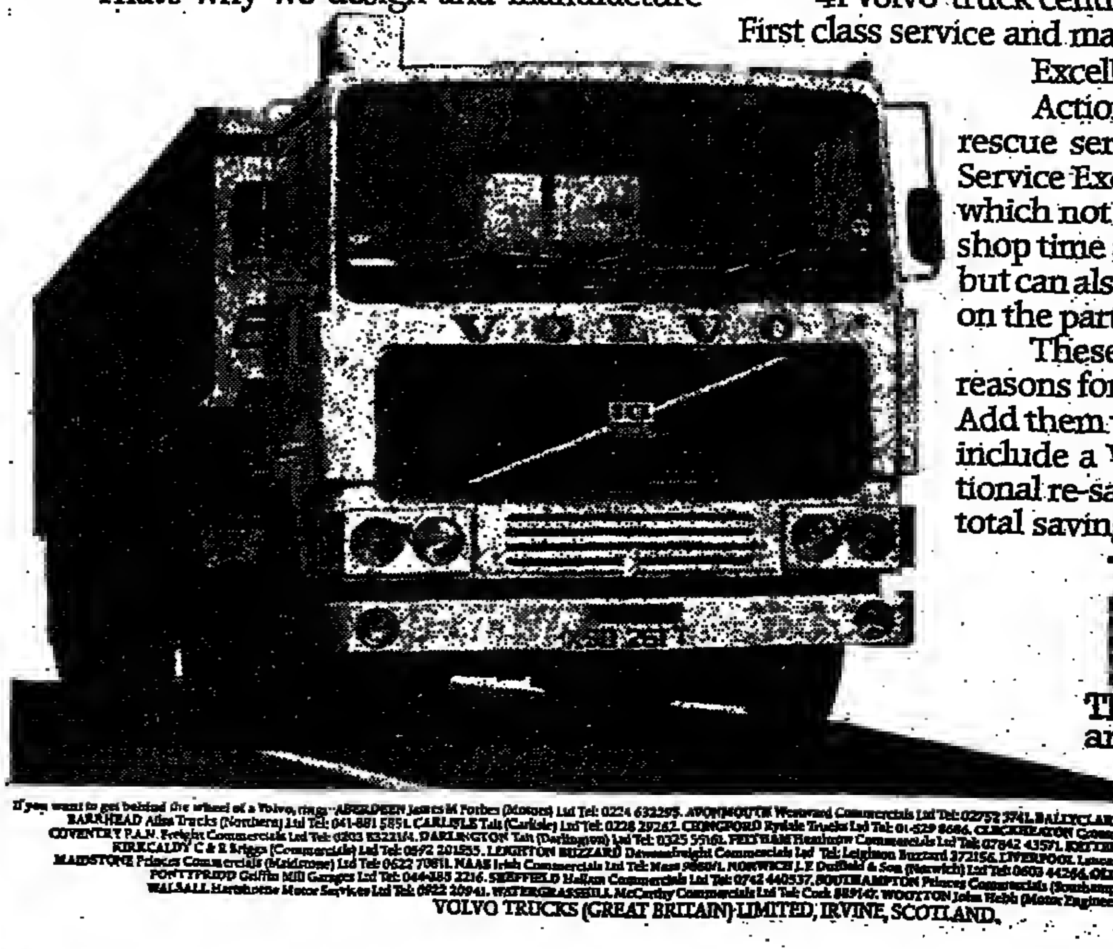
In the last 15 years it has changed from being principally an academic research organisation to being more commercially oriented.

A quarter of its running costs are recouped from private contracts, and its work for Government departments is vetted by committees of industrialists to ensure its relevance.

Mr. Mallinson said yesterday that the increase in the laboratory's earnings from industry demonstrated its usefulness to the economy.

Yet the laboratory was being run down as part of spending cuts by the last and the present governments. Staffing had fallen from 960 three years ago to 800 now and was expected to be reduced further to 720 by 1982.

"Inevitably the downgrading of the director's post has been regarded by the staff as a downgrading of the importance of the laboratory in the eyes of the Department of Industry," Mr. Mallinson said.



BBC has 'increased radio audience'

THE BBC says it is winning more radio listeners. Latest audience research figures from the corporation suggest that, while its national channels have increased their audience share, the popularity of commercial radio is declining.

Statistics produced by the BBC, ITV and Independent Local Radio vary, and any figures are usually viewed cynically. But the BBC says *it only asks questions* and feeds the results into a computer.

Listening per head per week to Radio One rose 6 per cent in the first quarter of 1980 compared with 1979. There was a similar rise for Radio Two and a 5 per cent increase for Radio Four. "Meanwhile listening to ILR was down by 3 per cent," said the BBC.

Lock suspected in air crash

A FAULTY lock in the flight control system may have caused last year's fatal air crash in Shetland. Seventeen people were killed when a Dan-Air Hawker Siddeley 748 crashed on take-off from Sumburgh.

A Department of Trade investigator told an inquiry in Aberdeen that the gustlock system, a "non-standard" part, may have jammed, forcing the aircraft's nose downwards.

Toy jobs to go

EIGHTY WORKERS are to be made redundant at the Lesney toy factory in Peterborough, because of a sharp drop in profits in the past six months.

Tidal barrier

A TIDAL surge barrier costing £3.9m, built to protect the centre of Hull from flooding, was inaugurated by Mr. Dennis Matthews, chairman of the Yorkshire Water Authority.

Transport studies

ROLLS-ROYCE MOTORS and five other transport companies have joined with Commercial Motor journal to sponsor a series of awards for transport studies, which will be worth £6,000 a year to the winners.

Belvoir inquiry

FORECASTS OF coal demand had been exaggerated, the Council for the Protection of Rural England told the Vale of Belvoir inquiry. Any mining in the area should be on a reduced scale, it said.

£1.5m Welsh aid

AID for Welsh language education is to be increased to £1.5m in 1981-82, Mr. Nicholas Edwards, Secretary of State for Wales, announced in Caernarfon.

Chain cuts prices

DEBENHAMS is cutting prices on a wide range of goods at its 70 UK stores, in a campaign to increase sales.

Flights return

AN OVERTIME ban by 2,500 British Airways ramp workers and baggage loaders ended at midnight last night and the airline's flights were expected to be normal today. The workers' two-week dispute, which caused cancellations to at least 12 European flights a day, was over productivity.

Sue Cameron looks at a U.S. chemicals incursion

Big UK companies oppose Dow ethylene plant move

LARGE CHEMICAL companies, including BP Chemicals, Shell Chemical UK and Imperial Chemical Industries, are putting pressure on the Government to stop the U.S. Dow Chemical building a world-scale ethylene plant at Cromarty, north Scotland.

One company says that the Dow plan to build an ethylene plant using ethane gas from the North Sea as a raw material could ruin the British petrochemical industry.

It is believed to have told the Energy Department that other big chemical plants would have to be shut if the Dow project was allowed to go forward.

It is understood that representations are being made to the Department of Industry.

At least one company has told the Government that the Dow plan would effectively enable a U.S. group to use UK North Sea gas to damage UK companies.

The groups say that the Cromarty plant would enable Dow to sell ethylene, the so-called building block of the chemical industry used to make plastics, solvents and many other products, more cheaply than its British competitors.

There is already sufficient ethylene production capacity in the UK, so that Dow would take away other companies' markets.

The Cromarty plan is dependent on British Gas Corporation and Mobil going ahead with proposals for a new North Sea gas gathering system.

In February Dow applied for permission to build a £150m gas separation plant, underground storage tanks and a terminal at Nigg on Cromarty Firth.

A petrochemical complex, including the ethylene plant, would go up later there.

The Highland Regional Council has put off considering Dow's planning application until June.

UK chemical majors believe the project, including the ethylene plant, is being given a warm welcome by Government departments, and that the project is given strong backing by Mr. Hamish Gray, MP for Ross and Cromaryt and Minister of State at the Energy Department.

One British chemical company admitted yesterday that Dow had "up-staged" its UK counterparts an dthat they had been forced on the defensive.

It said that the Dow ethylene plant would probably use 800,000-900,000 tonnes of ethane a year, meaning "no ethane for any other UK chemical plants unless tanother North Sea pipeline were built as well as the proposed British Gas-Mobil line."

Ethane was a more economic raw material for producing ethylene than naphtha, which is made from oil.

Existing UK plants, as they stand, could probably use 250,000 tonnes a year of ethane. Modified, they could use "significantly more."

The joint BP Chemical and ICI ethylene plant at Wilton, in the North-East, which has just come on stream, could use between 80,000 and 90,000 tonnes of ethane a year.

Dr Rab Telfer, chairman of ICI petrochemicals division, said yesterday that this plant could use naphtha, propane, butane, and ethane as raw materials. Savings by this flexibility gave ICI and BP Chemicals "strength to withstand *threats from U.S. competition.*"

Dr Telfer said that though Teesside had the capacity to process over 1m tonnes of liquid petroleum gases a year this amount was not yet available.

Imports of electronic goods rise

BY ELAINE WILLIAMS

IMPORTS of consumer electronic products increased by 5 per cent last year, according to figures published yesterday by the British Radio Equipment Manufacturers' Association.

In spite of higher UK deliveries in the final quarter, British manufacturers' share of total deliveries fell from 41 to 36 per cent.

Colour television deliveries were 1.9m last year, compared with 1.8m in 1978. Imports increased their share from 19 to 25 perc ent. But much of the increase came from smaller television sets, which showed the largest growth.

Small screen sizes represented about 61 per cent of colour television imported deliveries, and the small screen market more than doubled—from 175,000 to 380,000 last year.

BREMA says this pattern has been reflected in sales, which more than doubled last year. Black and white television sets show similar accelerated growth for smaller screens, while larger black and white sets have declined.

According to BREMA, large screen sizes accounted for only 8 per cent of the total television market, compared with 13 per cent in 1978.

Imports of music centres also increased by more than 13 per cent last year to 600,000 units compared with UK manufactured goods totalling 358,000, which fell from last year's figure of 420,000.

BREMA says there were indications that not all imports reached the trade last year, so increasing stock levels, while overall consumer sales were lower than in 1978.

Video tape recorders, of which there are no UK makers, continue to show a dramatic increase. Last year's deliveries were 155,000 compared with the previous year's total of 80,000.

BREMA said much of the growth was due to a larger distribution network for this relatively new product. It noted that strong seasonal sales accounted for a larger proportion of the year's sales than is the case with other video products.

Traded options charges reduced from April 28

BY CHRISTINE MOIR

CHARGES FOR dealing in traded options in the Stock Exchange will ber educed from April 28, the start of the next account period.

The Stock Exchange Council yesterday approved a reduction in the basic dealing charge from £2.75 to £1.50. The commission rate proportionate to value on top of this remains unchanged.

The length of time in which deals can be closed or aggregated for commission purposes has been extended to five days.

Other changes pending in the traded options market include the possibility of introducing options in Lonrho and Peninsular and Oriental Steam Navigation.

The Stock Exchange committee responsible for this part of the market has to approve the introduction of each company.

At a later date the committee may consider the establishment of dealing facilities in "put" options—the right to sell shares at a future date. At present, only "call" options—the right to buy shares in the future—may be traded.

The committee is studying the possibility of "put" options but it wants to see the "call" options market fully estabilshed before expanding into any new area.

£140,000 paid for atlas

SALEROOM

BY ANTONY THORNCROFT

THE DORIA ATLAS, compiled about 1570 for the Doria family of Genoa, sold for £140,000 to an English collector at a Sotheby's sale of maps and atlases yesterday. The buyer will have to pay an additional 11.5 per cent in buyer's premium and VAT.

The atlas includes over 100 maps nad the price was just below that forecast.

N. Israel, a Dutch dealer, bought a Portuguese chart of the Far East of 1535 for £38,000 and a chart of the Mediterranean dating from about 1320 for *£26,000*. An *atlas of the* world by Juan Martinez, of 1585, went for £20,000.

Other high prices in the general sale were the £38,000 for Homann's "Atlas Novus" in three volume sand £17,000 for Sir Robert Dudley's "Arcano del mare," a second edition of 1661 with 131 maps and charts. The main sale totalled £395,956 and the five special lots £258,000. One of them, the atlas of Ferdinando de Midici by Cavallini was bought in when the bidding reached £34,000.

The feature of the day at Sotheby's was a very good auction of Chinese ceramics and works of art which totalled £1,393,020 with just 7.25 per cent bought in. Most of the major collectors and dealers were in the room and the top price in the morning session of £105,000, twice the estimate, was paid by K. S. Lo, a Hong Kong collector, for a rare Imperial Ju Yao brushwasher of the Northern Song dynasty.

The highest price of the day was the £132,000 from John Sparks, the London dealer, for an early blue and white potiche of the mid 14th century. Lo, again, gave £110,000 for an early Ming blue and white dragon flask and Chai, a Singapore collector, £87,000 for an underglaze red decorated vase of the early 14th century. Hirano, of Tokyo, acquired an early Ming red glazed stem cup for £85,000. Taken with the Christie's sale on Monday it looks as if Chinese works of art are enjoying a strong revival.

At Sothebys Belgravia, in an auction of chess sets and European ivories, an early 18th century ivory chess set made in Augsburg sold for £15,500.

Atkins and Haughey hold first meeting

Financial Times Reporter

THE FIRST meeting between Mr. Humphrey Atkins, the Secretary of State for Northern Ireland, and Mr. Charles Haughey since the latter became Irish Prime Minister last December, appeared to go well.

It had been thought that Mr. Haughey, who has a reputation as a more tough-line Republican Prime Minister than his predecessor, Mr. Jack Lynch, would push Mr. Atkins for an early meeting with Mrs. Thatcher to discuss political developments in the province.

Instead Mr. Haughey hosted a lunch for Mr. Atkins, where security was low on the agenda and where the proceedings appear to have been dominated by economic problems in general and cross-border co-operation in particular.

It is thought that Mr. Atkins outlined his plans for restoring local political powers to Northern Ireland. These plans, it is widely assumed, include a blueprint for some kind of assembly which would fall short of Unionist demands for a fully devolved assembly, but which would also not give the Catholic minority a share in power.

The first meeting between Mr. Haughey and Mrs. Thatcher will be at the EEC summit in a couple of weeks. However, it is not expected that there will be time for discussion of Northern Ireland then.

Mr. Haughey will want to see Mrs. Thatcher some time after the summit. A bland statement was issued yesterday after the meeting with Mr. Atkins. It said that in the context of the regular contacts between thetwo governments the ministers discussed a full range of topics of mutual interest.

Commercial vehicles still in demand

BY JOHN GRIFFITHS

DEMAND FOR commercial vehicles in the UK continued at a high level in March. Sales were 5.09 per cent higher than in March last year, according to Society of Motor Manufacturers and Traders statistics published yesterday.

New registrations in the first quarter of this year numbered 77,906, 9.02 per cent higher than in the same period of 1979.

Imported vehicles continued to gain ground, although slowly. They accounted for 24.06 per cent of the market in March, compared with 21.20 per cent in March, 1979.

For the first quarter they *accounted for 23.81* per cent, compared with 20.57 per cent in the 1979 first quarter.

As with the new car market, there are few signs of the widely-predicted 10 per cent downturn in the UK market this year.

Light car-derived vans fell 8.52 per cent to 23,155 in the quarter. Vans weighing up to 3½ tons continued to climb, by 28.63 per cent to 33,131.

The biggest gain in volume was achieved by Ford, with 13,539 registrations for the quarter compared with 8,487 a year earlier. Japanese imports and Volkswagen also gained ground.

Heavy trucks, weighing more than 3.5 tons, and artics showed slower growth—by 3.2 per cent over the 1979 first quarter—and numbered 18,664.

Ford showed the biggest increase, with registrations increased from 2,726 to 4,271. However, last year's figures reflected the effects of the prolonged strike in the autumn of 1978.

Leyland vehicles' registrations were down from 3,390 to 3,091—1,060 in March compared with 236 in March 1979—but the company has yet to feel the impact of last month's launch of its T45 truck range.

Of the imports, Volvo's registrations increased by 23 per cent during the quarter, numbering 1,001; Mercedes-Benz imports increased by 24.8 per cent, numbering 971.

Agreement near on takeover of Marathon

BY RAY PERMAN, SCOTTISH CORRESPONDENT

OBSTACLES TO the French takeover of the Marathon oil drilling rig construction yard at ClydeBank could be cleared by the end of the month.

M. Louis Garrigue, London representative of Union Industrielle et d'Entreprise, said yesterday lawyers were again ready to discuss outstanding issues after a break in talks for consultation.

"We cannot commit ourselves to a date to take over the yard, but we definitely hope to reach agreement within a fortnight," he said.

The sale document was to have been signed at the beginning fo March, but UIE asked for certain clauses the be renegotiated. It was particularly concerned about the agreement permitting Clydebank to continue building Marathon designed rigs under licence.

The Government has sanctioned the sale and it is understood that UIE will take over the outstanding £2.8m loan to the yard, and buy the 32,000 preference shares held by the Scottish Office.

Bukta drops replica Olympia kits

Financial Times Reporter

SPORTSWEAR manufacturer Bukta, of Stockport, Cheshire, which is producing the official strip for Britain's Olympic competitors, has abandoned plans to sell replica garments to the public because of the controversy surrounding the Moscow Games.

Mr. Christopher Buck, Bukta's sales director, said because of public feeling about the Games the company had written off potential sales worth £200,000.

"We didn't want to be left as piggy-in-the-middle, with retailers complaining either that they couldn't sell tha garments on the one hand, or that we hadn't manufactured enough," he said.

Bukta won the order to produce the shorts, vests and track suits for the 370 British competitors and officials last June. The company also bought a licence to use the official Olympic motif on a range of replica garments.

"Our decision not to use the motif simply means that we won't be paying royalties," said Mr. Buck.

"We bad heen aiming for a turnover of £200,000, but we will be able to make it up elsewhere. We have a super order hook at the moment, in complete contrast to the rest of the textile trade."

Tidal barrier

A £3.9m TIDAL surge harrier on the River Hull was officially opened yesterday by Mr. Dennis Matthews, cbairman of Yorkshire Water Authority. It will be operated when abnormal tides are forecast, to prevent flood damage in Hull.

Stockholders come out on top

Roy Hodson and David Holmes examine the confusion in the steel market after the 13-week national strike

THE CONSTRUCTION and engineering industries face difficulties in obtaining some types of heavy steel after the three-month national strike.

The steel market is confused now the stoppage bas ended. Steel traders and industrial users are reluctant to build up new stocks as the British Steel Corporation fights an uphill battle to win back business.

The winners in this confusion appear to be the steel stockbolders. By husbanding their stocks, operating "swap" agreements between stockholding companies, and carefully importing steel in short supply, they hava enhanced their reputation during the strike as suppliers of steel.

Mr. Richard Rawlins, director of the National Association of Steel Stockholders, forecast that his memhers would build up their share of the British market to 45 per cent this year compared with 35-38 per cent before the strike. The association expanded during the strike as more companies songht membership.

The true level of the market for steel in Britain at a time of industrial recession is still a mystery. Trading was so distorted during the strike that figures are meaningless. Steelmakers and steel traders hope firm indications of the state of the market will emerge in the next 14 days.

There are local shortages of universal beams, columns, and plates, but plentiful supplies of many of the lighter forms of finished steel, including sheet. Few stockholders are critically short of steel and most say the situation is easing daily.

Most stockholders are still trading in quantities of imported steel as well as home-produced materil. They are unlikely to abandon those foreign lines until BSC proves that its prices and deliveries can at least match the best service obtainable from foreign companies.

Mr Cliff Keeler, director of Britisb Steel Service Centres, the stockholding section of BSC, said it was too early to assess the effect of the strike on stockholders, because BSC production since it ended had been interrupted hy the Easter holiday, and many BSC customers had closed for that period.

Mr Norman Richards, chairman and managing director of GKN Steelstock, thought it was still too early to pinpoint gains from increased trade during the strike, as BSC had effectively heen back at work for only a week.

He expected the stockholding trade to keep its increased market share, however. He felt consumers had benefited from the strike by learning to live with lower stocks.

With high rates of interest and the high cost of keeping large stocks on site, he thought consumers would in future rely more heavily on stockholders.

To hedge against the possibility of further industrial action at BSC, consumers might start to spread their purchases more widely across the market—either between BSC and foreign producers, or hetween BSC and stockholders, he said.

Mr. Richards believed that once stocks had been replenished, stockholders would maintain sales at their increased level: "I bave always believed that if industry was using the stockholding service properly, it would go beyond 50 per cent of the market."

Stockholders, he thought, should emphasise their valne to steel purchasers, particularly by drawing attention to the disparity between the invoiced price of steel and the true cost of maintaining large stocks hought direct from the producer.

Mr. Ernest Barrett, of Barrett and Sons, Bradford, was confident that stockholders would retain custom gained during the strike, although sales were depressed at the moment hecause steel was in such short supply that it was impossible to build up stocks.

He thought there was a general view among consumers that BSC could no longer he relied upon to maintain stocks. Although the steel strike had bee nthe first for 50 years, he thought steel union militancy could spell further industrial trouble for BSC.

Although his company bad always bought only British steel in tha past—from hoth the public and private sectors—he now intended to import some steel, to ensure continuity of supply: "We will no longer be putting all our eggs in ona basket."

Stocks were now heing sold as soon as they reached the yard, and the company was having particular difficulty obtaining heavy steel sections and hollow steel.

Once stocks were replenished, however, stockholders would keep the increased market share gained during the strike, and he agreed that 45 per cent of the market was not an unrealistic target for stockholders in general.

Collieries linked by conveyor

NORTH STAFFORDSHIRE'S two largest collieries, Hem Heath and Florence, merged in a £30m project capahle of producing more than 2m tonnes of coal a year, were linked in an underground ceremony yesterday by Mrs. Mary Stringer, Lord Mayor of Stoke-on-Trent.

She started Britain's largest cahle-belt conveyor, officially opening the Trentham Drift, a twi-mile seam-to-surface shaft to raise both collieries' coal. Tha conveyor is suspended from twin cahles, each six miles long.

Design award for Plessey

THE GROUNDSAT military communications equipment made hy Plessey Avionics at Ilford, Essex, has won a Design Council award in the engineering products category.

The portahle Groundsat can he used in the field to transmit and receive simultaneously on the same radio channel, previnusly considered impossible because of interference prohlems.

Budget measures deepen gloom

By David Churchill, Consumer Affairs Correspondent

FOUR OUT of every 10 consumers thought last month's Bndget would be bad for the conntry, according to the latest Financial Times survey of consumer confidence.

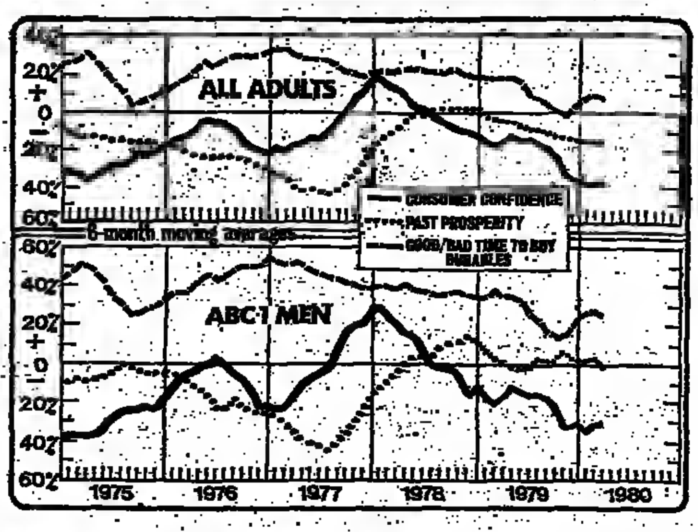
Bnt 36 per cent of the 1,000 consumers surveyed were in favour of the Budget measures helping the economy. The remaining 24 per cent thought the Budget's effect would he neutral.

Published today, the survey of consumer response to the Budget shows that men in social groups A, B and C1 (professional and executive workers) viewed the Bndget most favourably while C2, D and E social gronps (manual workers) were generally against the Bndget measures.

There were also striking regional differences in Bndget reaction, with consumers in the South in favour of, and those in Scotland and the North East opposed to the measures.

Pessimism about the Budget led the index of future confidence to fall sharply this month after its recovery in March.

The survey found only 13 per cent of consumers expected conditions to get better, while 50 per cent expected them to get worse. This gave an index of minus 37 per cent, compared with minus 32 per cent last month.



The six monthly index, which reflects consumer confidence in the past half year, remained at minus 38 per cent—its lowest level in the survey's 10 year history.

The main reason for pessimism—cited hy 39 per cent of consumers surveyed—was the impact of rising prices. Some 28 per cent gave their helief that the Government was pursuing the wrong policies, as the reason for pessimism.

There was a fall in numbers citing strike action as a reason for pessimism, but more than a fifth of pessimistic consumers felt the trend would get worse.

Of the small number of optimists in the survey, 52 per cent could only give the reason that "things must improve" as the main factor behind their optimism. Just over a third also believed that the Government was pursuing the right policies.

Analysis of the survey shows that the confidence of A, B and C1 women fell sharply hy 14 points, but they remain the least pessimistic in spite of concern about the future, the survey showed a rise in consumers' feeling about their past prosperity. Some 27 per cent of the survey considered themselves better off than a year ago, while 41 per cent considered themselves worse off.

This gave an index of minus 14 per cent, compared with minus 19 per cent in March.

But the decline in future confidence affected the index showing consumer readiness to but large consumer durables, while 36 per cent thought it was a bid time. This gave an index of plus 1 per cent, compared to plus 7 per cent last month and plus 13 per cent in January.

The higgest drop among the sub-groups was recorded by A, B and C1, whose index for buying durables dropped 17 points to plus 13 per cent.

The survey also showed a sharp increase in those consumers expecting unemployment to increase.

The Financial Times survey of consumer confidence was carried out between March 27 and April 2 by the British Research Bureau. A sample of 1,047 adults was interviewed.

ANGLOVAAL GROUP

Mining Companies' reports — Quarter ended 31 March 1980

All companies mentioned ara incorporated in the Republic of South Africa.

All financial figures, except those for Consolidated Murchison Ltd for the quarter ended December 1979 and the financial year, are unaudited.

Rate of exchange on 31 March 1980 R1,00= £0,58 £1,00 = R1,77

Development results given are the actual sampling results. No allowance has been *mada for adjustments necessary in the valuation of tha corresponding ore reserves.*

Sharaholders requiring copies of these reports regularly each quarter, should write to tha Secrataries, Anglo-Transvaal Trustees Limited, 295 Regent Street, London W1R 8ST.

Prieska Copper Mines (Proprietary) Limited

Issued capital 54 000 000 shares of 50 cents each

		Quarter ended 31 March 1980	Quarter ended 31 Dec. 1979	6 months ended 31 March 1980
Operating results				
Ore milled	t	709 000	781 000	2 216 000
Concentrates produced				
Copper	t	25 469	27 832	76 643
Zinc	t	25 627	30 090	78 566
Concentrates despatched				
Copper	t	30 450	20 265	76 383
Zinc	t	27 021	29 868	80 273
Financial results		R000	R000	R000
Operating profit		6 126	3 259	15 671
Non-mining income		170	259	705
		6 296	3 516	16 376
Interest paid		250	311	907
		6 046	3 207	15 469
Less: Prior year adjustment		—	—	1 538
Net profit		6 046	3 207	13 931
Loan repayments		47	4 028	4 120
Capital expenditure		1 941	2 048	6 097
		1 988	6 076	10 217
Development				
Advanced	m	6 101	6 636	19 337

Financial

Despatches, which vary from quarter to quarter, are brought to account at their estimated receivable value. Operating profit takes into account adjustments following final price determinations on despatches made during previous quarters.

Taxation

No taxation was payable as the Company has an assessed loss.

Capital expenditure

Outstanding commitments at 31 March 1980 are estimated at R2 042 000 (31 December 1979: R1 874 000).

General

Tonnage milled during the quarter was adversely affected by the failure of a rod mill motor. A claim is being lodged with the Company's insurers.

Eastern Transvaal Consolidated Mines, Ltd.

Issued capital 4 316 678 shares of 50 cents each

		Quarter ended 31 March 1980	Quarter ended 31 Dec. 1979	9 months ended 31 March 1980
Operating results				
Gold				
Ore milled	t	83 800	89 100	253 800
Gold recovered	kg	518,05	558,31	1 633,59
Yield	g/t	6,2	6,3	6,4
Revenue	R/t milled	109,96	72,68	81,96
Costs	R/t milled	26,57	24,54	25,49
Profit	R/t milled	83,39	48,14	56,47
Revenue	R000	9 215	6 476	20 810
Costs	R000	2 227	2 187	6 472
Profit	R000	6 988	4 289	14 338
Financial results		R000	R000	R000
Working profit—gold mining		6 988	4 289	14 338
Non-mining income		129	47	265
		7 117	4 336	14 603
Prospecting		79	79	233
Profit before taxation		7 038	4 257	14 370
Taxation		3 737	2 288	7 654
Profit after taxation		3 301	1 969	6 716
Capital expenditure		610	276	1 096
Dividend		—	1 727	1 727
		610	2 003	2 823
Development				
Advanced	m	1 864	2 154	5 037
Sampling results:				
Sampled	m	1 110	1 350	3 782
Channel width	cm	189	204	184
Channel value	g/t	6,4	5,0	20,6
	cm.g/t	1 081	1 011	3 793

State assistance

The Company remains classified as an 'assisted mine' in terms of the Gold Mines Assistance Act, 1968.

Dividend

Interim dividend No. 59 of 40 cents per share, declared in December 1979, was paid in February 1980.

Capital expenditure

Outstanding commitments at 31 March 1980 are estimated at R722 000 (31 December 1979: R551 000).

State loan levy

In accordance with the 1980/1 budget proposals, no loan levy will be payable for the current financial year.

Hartebeestfontein Gold Mining Co. Ltd.

Issued capital 11 200 000 shares of R1 each

		Quarter ended 31 March 1980	Quarter ended 31 Dec. 1979	9 months ended 31 March 1980
Operating results				
Gold				
Ore milled	t	717 000	716 000	2 136 000
Gold recovered	kg	8 030,40	8 041,46	24 162,69
Yield	g/t	11,2	11,2	11,3
Revenue	R/t milled	194,22	126,39	140,16
Costs	R/t milled	44,73	42,36	43,10
Profit	R/t milled	149,49	84,00	87,06
Revenue	R000	139 252	90 750	299 387
Costs	R000	32 071	30 440	92 056
Profit	R000	107 181	60 310	207 331
Uranium oxide				
Pulp treated	t	717 000	716 000	2 129 000
Oxide produced	kg	100 534	102 743	306 070
Yield	kg/t	0,14	0,14	0,14
Financial results		R000	R000	R000
Working profit—gold mining		107 181	60 310	207 331
Profit from sales of uranium oxide, pyrite and sulphuric acid		3 389	10 138	23 916
Non-mining income		5 425	3 154	11 257
		115 896	73 602	242 504
Interest paid		244	200	487
Profit before taxation and State's share of profit		115 751	73 402	242 017
Taxation and State's share of profit		69 611	42 653	143 245
Profit after taxation and State's share of profit		45 840	30 749	98 772
Capital expenditure		4 691	4 829	12 404
Loans received		—	4 231	8 250
		4 691	598	4 154
Loan repayments		16	71	158
Dividends		—	33 600	33 600
		4 707	34 269	37 912
Development				
Advanced	m	15 632	16 079	47 489
Sampling results on Vaal Reef:				
Sampled	m	2 104	1 728	6 148
Channel width	cm	64	58	60
Channel value — gold	g/t	27,3	28,8	28,0
	cm.g/t	1 598	1 716	1 680
— uranium oxide	kg/t	0,39	0,41	0,42
	cm.kg/t	23,08	23,66	24,95

Dividend

Interim dividend No. 48 of 300 cents per share, declared in December 1979, was paid in February 1980.

Capital expenditure

Outstanding commitments at 31 March 1980 are estimated at R5 315 000 (31 December 1979: R5 670 000).

State loan levy

In accordance with the 1980/1 budget proposals, no loan levy will be payable for the current financial year.

Consolidated Murchison Ltd.

Issued capital: 4 160 000 shares of 10 cents each

		Quarter ended 31 March 1980	Quarter ended 31 Dec. 1979	Financial year ended 31 Dec. 1979
Operating results				
Ore milled	t	133 800	139 800	534 500
Antimony concentrates plus cobbed ore produced	t	5 356	5 545	20 086
Antimony concentrates plus cobbed ore sold	t	4 748	5 698	22 473
Financial results		R000	R000	R000
Sales of antimony concentrates less realisation charges		4 487	5 390	20 657
Gold sales		1 246	1 157	2 517
Sundry mining income		9	12	76
		5 722	6 559	23 250
Working costs		3 922	3 750	14 088
Working profit		1 800	2 809	6 162
Finance charges aid scheme rebate and sundry non-mining income		21	88	562
		1 821	2 897	9 724
Prospecting and sundries		45	9	130
Profit before taxation		1 776	2 888	9 594
Taxation		328	511	2 069
Profit after taxation		1 447	2 377	7 525
Capital expenditure		950	1 516	2 830
Dividend		—	2 912	4 160
		950	4 431	6 990
State loan levy		—	48	197

Consolidated Murchison Ltd. — *continued*

Financial

The revenue from the sale of antimony concentrates brought into account each quarter is based on actual shipments made, which can vary considerably from quarter to quarter.

Dividend

Final dividend No. 68 of 70 cents per share, declared in December 1979, was paid in February 1980, making a total of 100 cents per share for the financial year ended 31 December 1979 (1978 — nil).

Capital expenditure

Outstanding commitments at 31 March 1980 are estimated at R332 000 (31 December 1979 — R467 000).

State loan levy

In accordance with the 1980/1 budget proposals, no loan levy will be payable for the current financial year.

Loraine Gold Mines, Ltd.

Issued capital 16 356 585 shares of R1 each.

		Quarter ended 31 March 1980	Quarter ended 31 Dec. 1979	6 months ended 31 March 1980
Operating results				
Gold				
Ore milled	t	413 000	383 000	796 000
Gold recovered	kg	1 280,26	1 365,74	2 646,00
Yield	g/t	3,1	3,6	3,3
Revenue	R/t milled	51,32	42,93	47,26
Costs	R/t milled	34,79	36,01	35,38
Profit	R/t milled	16,53	6,92	11,90
Revenue	R000	31 194	16 444	37 638
Costs	R000	14 370	13 794	28 164
Profit	R000	5 824	2 650	6 474
Financial results		R000	R000	R000
Working profit — gold mining		5 824	2 650	6 474
Profit from sales of uranium oxide and pyrite		(17)	15	(2)
Non-mining income		143	128	271
Profit		6 950	2 793	6 743
Capital expenditure		1 555	1 039	2 594
Development				
Advanced	m	3 963	3 485	7 448
Sampling results:				
"B" Reef				
Sampled	m	196	50	246
Channel width	cm	41	31	43
Channel value	g/t	3,8	10,6	5,5
	cm.g/t	154	548	235
Basal Reef				
Sampled	m	138	168	306
Channel width	cm	8	8	8
Channel value	g/t	72,6	74,0	72,7
	cm.g/t	617	592	603
Elsburg Reefs				
Sampled	m	116	90	206
Channel width	cm	89	80	85
Channel value	g/t	4,3	4,0	4,2
	cm.g/t	385	317	356
Total — all reefs				
Sampled	m	452	308	760
Channel width	cm	44	38	40
Channel value	g/t	8,2	14,0	10,3
	cm.g/t	356	505	416

Production

Underground operations were adversely affected by a fire in the No. 3 Shaft area during January 1980. The shortfall in tonnage mined for milling was made up by increasing the rate of dump reclamation. A claim has been lodged with the Company's insurers.

Taxation and State assistance

No taxation or State's share of profit was payable as the Company has assessed losses. The Company remains classified as an 'assisted mine' in terms of the Gold Mines Assistance Act, 1968.

Capital expenditure

Outstanding commitments at 31 March 1980 are estimated at R10 867 000 (31 December 1979: R865 000). The increase is due to contracts placed for the sinking and equipping of the No. 1A Shaft system to enable the northern Elsburg reefs to be mined. Expenditure will be incurred over about two years.

These reports have been approved by the directors of the respective companies and in each case have been signed on their behalf by two of the directors.

16 April 1980

APPOINTMENTS

Four Burton Group main Board posts

Mr. Laurence Cooklin, Mr. Paul Plant, Mr. Gerald Slater and Mr. Robert Woodman, alternate directors of the BURTON GROU, hava bave been appointed full members of the Board.

★

Mr. Daniel Meinertzsagen and **Mr. Donald A. Bennett** have joined the Board of TOZER KEMSLEY AND MILLBOURN (HOLDINGS). Mr. Meinertzhagen was formerly chairman of Lazard Brothers, having been with that firm from 1936, apart from wartime service, until his retirement last month. He is also chairman of the Royal Insurance, deputy chairman of Alexanders Discount, and a director of a number of other companies. Mr. Bennett became general manager in 1956 of the then newly formed International Synthetic Rubber Company, which is owned by and supplies synthetic ruhher to a consortium of the world's major tyre manufacturers. He was appointed managing director of ISR the following year and became chairman in 1972. **Mr. Reginald O. A. Keel** will be retiring from the Board of Tozer Kemsley and Millbourn (Holdings) on May 1, but will remain on the Boards of a number of TKM subsidiaries.

★

Mr. Clive Q. Summerhayes bas been appointed chairman of Halma subsidiaries STANDARD ENGINEERING COMPANY, S.E. ACCESSORIES AND CHEMICALS and S.E. LEASING.

★

Mr. Ian Wilde has heen appointed to the Board of FRANK HORSELL AND CO., as sales and marketing director.

★

Mr. Richard K. Wade has joined the London office of BANKERS TRUST COMPANY as a vice president and European coordinator of the newly formed export finance division.

★

Mr. Barry Cresswell will retire as commercial director of SKELMERSDALE DEVELOPMENT CORPORATION on June 8. He will be succeedad by **Mr. Basil Roberts**, who joined the Corporation in 1967 as his deputy.

★

COLE PLASTICS has made three Board appointments: **Mr. R. Gibson**, previously works manager, and **Mr. R. A. Palmer**, previously chief accountant, are appointed directors. Also appointed to the Board is **Mr. Claude J. Shammas** who is also managing director of Plastic Products and a director of R. H. Cole, the parent company of the Cole Group. **Mr. Hugh Fayers** resigned from the Board on March 31.

★

Mr. Stephen Hemsted, business planning manager, has been made deputy financial controller and deputy company secretary of the NATIONAL MAGAZINE COMPANY.

★

Mr. B. Halksworth has resigned as a director of GREEN'S ECONOMISER GROUP.

★

Mr. Robert Butler has retired as executive chairman of EUTECTIC COMPANY, but remains chairman of the Board.

★

Mr. R. I. Clews has retired as a director of Glanvill Enthoven and Co. and as chairman and director of Glanvill Enthoven (Home). He has ben retained by Glanvill Enthoven as an adviser and as non-executive chairman of Glanvill Enthoven Risk Management and of Glanvill Enthoven Management Services, Guernsey. **Mr. R. H. Richards** bas been appointed chairman and managing director of Glanvill Enthoven (Home). **Mr. D. W. Andrew**, deputy chairman of Glanvill Enthoven (Home), is now responsible for tha companies' UK locations outside London. The parent concern is CHARTERHOUSE GROUP.

★

Mr. William Pyle has been appointed a director of ANDERSON STRATHCLYDE. He is at present divisional director and general manager at Bridgeton, Glasgow and will become chief executive of the mining equipment division at Motherwell.

★

Mr. B. C. W. Williams has been appointed managing director of the seed division of PERTWEE HOLDINGS from May 1. He was a director of Spillers Agriculture with special responsibility for seed and arable products before joining the Pertwee group.

BASE LENDING RATES

A.B.N. Bank	17 %	■ Hambros Bank	17 %
Allied Irish Bank	17 %	■ Hill Samuel	§17 %
Amro Bank	17 %	C. Hoare & Co.	†17 %
American Express Bk.	17 %	Hongkong & Shanghai	17 %
Henry Ansbacher	17 %	Industrial Bk. of Scot.	17½%
A P Bank Ltd.	17 %	Keyser Ullmann	17 %
■ Arbuthnot Latham	17 %	Knowsley & Co. Ltd.	19 %
Associates Cap. Corp.	17 %	Langris Trust Ltd.	17 %
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	Edward Manson & Co.	18 %
Bank of Cyprus	17 %	Midland Bank	17 %
Bank of N.S.W.	17 %	■ Samuel Montagu	17 %
Banque Belge Ltd.	17 %	■ Morgan Grenfell	17 %
Banque du Rhone et de la Tamise S.A.	17½%	National Westminster	17 %
Barclays Bank	17 %	Norwich General Trust	17 %
Bremar Holdings Ltd.	18 %	P. S. Refson & Co.	17 %
Brit. Bank of Mid. East	17 %	Rossminster	17 %
■ Brown Shipley	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Canada Perm't Trust	18 %	Schlesinger Limited	17 %
Cayzer Ltd.	17 %	E. S. Schwab	17 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	18 %
■ Charterhouse Japhet	17 %	Standard Chartered	17 %
Choulartons	17 %	Trade Dev. Bank	17 %
C. E. Coates	17 %	Trustee Savings Bank	17 %
Consolidated Credits	17 %	Twentieth Century Bk.	17 %
Co-operative Bank	*17 %	United Bank of Kuwait	17 %
Corinthian Secs.	17 %	Whiteaway Laidlaw	17½%
The Cyprus Popular Bk.	17 %	Williams & Glyn's	17 %
Duncan Lawrie	17 %	Wintrust Secs. Ltd.	17 %
Eagil Trust	17 %	Yorkshire Bank	17 %
E. T. Trust Limited	17 %		
First Nat. Fin. Corp.	19½%		
First Nat. Secs. Ltd.	19 %		
Robert Fraser	18 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		
■ Guinness Mahon	17 %		

■ Members of the Accepting Houses Committee.

* 7-day deposits 15%. 1-month deposits 15¼%.

† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.

‡ Call deposits over £1,000 13%.

§ Demand deposits 15%.

Electricians denounce TUC day of action

BY PAULINE CLARK, LABOUR STAFF

THE ELECTRICIANS' union (EETPU) yesterday became the first major industrial trade union to advise its members not to take part in the TUC's May 14 day of protest against Government economic policies.

Leaders of the union decided at an executive meeting publicly to denounce the planned "Day of Action" as "unwise and untimely."

Although the union has left the ultimate decision on participation to individual members, it issued a strongly worded warning that there was a "serious danger that such action will push us closer to a general strike."

The statement by the 420,000-strong union followed a decision by the Amalgamated Union of Engineering Workers, Britain's second largest union, to close its offices throughout the country, including its London headquarters, on the "Day of Action." It has already asked its 1,230,000 members to support the TUC call.

The TUC said yesterday it had received a variety of responses from unions to its call for maximum support on May 14. There would be many local events and nine rallies had been organised in London alone. "There is very widespread support and not much doubt about that."

The EETPU executive, however, challenged the TUC's whole approach to opposition in Government policy.

Its statement said: "We ask whether this is the appropriate way to conduct ourselves in a democracy, particularly since in May the voters will have an opportunity in recording their views through the ballot box in the local government elections.

It said: "A resounding defeat for the Tories there would be a far more effective way of showing the feelings of the British people than a day of action."

And the executive asked that if as a result of the Day of Action the Government did not change its course "Will we have more 'Days of Action' until they do?"

It said the action would "further weaken support for the trade unions, not only among the electorate but even among union members as well." and would not affect the direction of Government policy.

Engineering workers to seek 60% rise

BY OUR LABOUR STAFF

CALLS FOR PAY rises of more than 60 per cent will dominate the pay and conditions demands to be put before hte policy-making national committee of the Amalgamated Union of Engineering Workers when it meets in Blackpool next week.

Resolutions from the divisions of Britain's second largest union also emphasise mounting pressure for reinstatement of the 35-hour week as a target to be achieved as soon as possible.

This follows the dropping of the demand in what at least one division calls a "dilution" of the national claim during last year's prolonged dispute over pay and conditions in the engineering industry. Negotiations settled then on a one hour cut in the working week from November 1981.

The committee of the union's engineering section representing more than 1,230,000 workers in the industry will discuss numerous resolutions asking for a £120 a week basic wage against the present £73 a week.

Demands in some cases go as high as £140 a week and several motions for the committee include threats of industrial action.

It is expected, however, that union leaders will seek a mandate to work on the basis of a "substantial increase" pay target.

Threat to Post Office bills wanes

By Philip Bassett

LEADERS OF 6,500 Post Office computer staff who have warned of a repeat of last year's industrial action which held up the issue of telephone bills are likely today to draw back from immediately enacting the threat.

Following talks between the union and the Post Office yesterday, the group executive of the Society of Civil and Public Servants is likely today to authorise union officials to carry on negotiations.

While the threat of industrial action has by no means completely receded, the union yesterday was offered the outlines of a deal. The SCPS is claiming that a recent arbitration award to 18,000 supervisory engineers distorted a 5½ per cent payment promised to its members from April 1 in return for some grade restructuring.

The union claims that because of the award that payment should now be raised to 13 per cent. Under the outline deal proposed yesterday, the 5½ per cent payment would be increased, but not to 13 per cent.

The deal would provide for a longer-term improvement for the union in its position on the pay "spine," which the Post Office is trying to bring in for its telecommunications business setting up new relationships between different bargaining groups.

Moderates confident in Civil Service poll

BY PHILIP BASSETT, LABOUR STAFF

MODERAES in Britain's largest and Public Services Association yesterday laid down the policies they would follow if successful in the current elections for the national executive. They are confident the voting will show a shift to the right.

The union has a record of dramatic swings between left and right at successive elections, but at its annual conference last year it voted to end the system of block voting which had been a major contributor to the union's political instability. Instead, it introduced a pithead-type branch ballot system.

Although voting is under way the result of the elections for president and national executive will not be announced until the union's conference next month.

The present executive is split 20-6 in favour of the left, but Mr. Charlie Elliott, an executive member and secretary of the union's moderate group, said yesterday that because of the electroal changes the composition of the executive was likely to swing closer to about a 14-14 or 16-12 split.

Mr. Elliott indicated that if the right won control the union, which has been prominent in recent industrial action in the Civil Service, would probably adopt a much more moderate approach.

For example, the executive would be likely to look favourably on some of the Government's proposed changes in labour law in the Employment Bill.

The union would also probably issue a code to members to ensure that picketing in any dispute was carried out in an orderly manner.

Some union officials fear that next month's conference may throw out the Pay Research comparability system, which determines Civil Service salaries by comparison with earnings elsewhere. A similar motion at last year's conference was defeated by four votes.

Mr. Elliott said the right would try to retain the system at the conference, but that if it was thrown out a moderate executive would look immediately for a similar system to replace it.

Strike over

AN UNOFFICIAL strike by ancilliary workers at the Royal Victoria Hospital, Belfast, over the presence of troops on guard duty in the complex, ended yesterday after five days when a mass meeting of the 1,200 members of the National Union of Public Employees voted to return to work.

Prior union law pledge

BY OUR LABOUR STAFF

THE GOVERNMENT would take every precaution to keep trade unionists from being jailed for refusing to comply with the provisions of the Employment Bill when it became law, Mr James Prior, Employment Secretary, said yesterday.

But he said: "I do not think we should go so far as to write into the legislation an undertaking that no-one will go to prison, because there will be a few people doing their damnest to go to prison."

Speaking to the annual conference in London of the National Federation of Professional Workers, Mr Prior said the Government would make it as hard for such people to go to jail as it possibly could. There was no need for anyone to be imprisoned if trade unionists sought to obey the law.

He said he feared for the future of parliamentary democracy if an elected government could not fulfil the legislation it passed through Parliament or was fearful of putting it through because it might be abused.

The issue went beyond industrial relations, to the "heart and root of Parliamentary democracy."

He rejected suggestions from the floor that the removal of the immunities from civil action now enjoyed by trade unionists would expose workers to judge-made law.

ACAS inquiry dropped

BY OUR LABOUR STAFF

THE Advisory Conciliation and Arbitration Service has dropped its inquiry into union recognition at the DP Hotel (Scarborough) in the second case of Limited co-operation on the part of employers reported by the service in just over two weeks.

ACAS said at the beginning of this month that it had ended work on a union recognition claim at Hogg Robinson Group because of the "limitations on co-operation" imposed by the company.

Yesterday, ACAS said that in the Scarborough case, a survey of opinion of staff at the hotel received a very much lower response "than we would normally have expected to obtain from a survey carried out by our usual methods with the full co-operation of the employer."

Steel 'blacking' talks

BY ROBIN REEVES, WELSH CORRESPONDENT

THE BLACKING of lorries which crossed picket lines during the national steel strike and the British Steel Corporation's radical retrenchment plans will be high on the agenda of a national executive meeting of the main steel union, the ISTC, in London today.

Disputes over the loading of lorries which ignored the three-month strike led to lightning walkouts at Port Talbot and in South Yorkshire just before easter—only 24 hours after the industry had returned to work.

There remains a strong feeling among many steelworkers that the worst offenders should never be allowed into BSC plants again, and the executive is expected to draw up a national "blacklist."

On BSC's retrenchment, the union will discuss the revised timetable for implementing a further 13,000 redundancies at Welsh steel plants not 30,000 as reported yesterday due to a transmission error), the closure of Consett steelworks in County Durham, and other major demanning proposals.

Olympics chief attacked by PM

THE PRIME MINISTER attacked British Olympics chief Sir Denis Follows in the Commons yesterday for his determination to send a British team to the Moscow Olympics.

Mrs. Thatcher said she "fully understood and agreed" with Mr. Cranley Onslow (C., Woking) who urged her to "get it into the thick skull of Sir Denis Follows that there is a war going on in Afghanistan."

It would be a "matter of national disgrace" for British athletes to go to Moscow, Mr. Onslow said.

Mrs. Thatcher told him: "I understand Sir Denis said only a war would change the decision of the British Olympic committee to go to Moscow. There is just such a war going on in Afghainstan.

"Russia is using troops to hold down a people, and in those circumstances it would be quite wrong for British athletes to go to Moscow if they value their freedom as much as we do," she said.

Housing grant scheme

By Andrew Taylor

LOCAL AUTHORITIES improving homes for sale will be able to apply for a Government grant under a new scheme announced by Mr. John Stanley, Housing Minister, yesterday.

Grants, up to £3,250 a dwelling, will be available for projects where the cost of acquisition and improvement is higher than the sale price.

The Environment Department estimate that around 200,000 dwellings would be eligible for grants at an annual cost to the Exchequer of around £6m.

Mr. Stanley, announcing the scheme during the committee stage of the Housing Bill, said: "I see improvement for sale as an important new area of activity by local housing authorities.

"It provides a means of simultaneously improving the older stock, bringing empty dwellings back into use and helping first time buyers by providing a new source of what will be relatively low cost homes."

Thatcher rejects criticism of economic policies

BY PHILIP RAWSTORNE

MRS. MARGARET THATCHER yesterday curtly reject Labour charges that the Government's economic policies were crippling British industry.

"Absolutely ridiculous," she declared dismissively.

But throughout question time, the Prime Minister faced a persistent Labour attack on the issue.

Mr. Barrie Sheerman (Lab, Huddersfield E) called on her to reverse policies that would turn the country into a "banana republic."

Strategy

Britain's industrial base was being destroyed by a Government strategy that was also creating 20 per cent inflation, rising unemployment and crippling interest rates, he said.

Industry was not being destroyed, Mrs. Thatcher retorted. "Large areas are flourishing . . . our export performance, apart from cars, is holding up extremely well, which is a very good compliment to many industries."

"Textiles?" a Labour MP queried—Even that industry was enjoying quite a number of export successes, Mrs. Thatcher added.

Unemployment was high, she agreed, and unfortunately would get higher. "But if we go on printing money we should have not only higher inflation but also even higher unemployment."

If the Government's policy was working, why was it anticipating four years of decline in manufacturing output? Mr. James Callaghan demanded.

"How do you think that is going to strengthen British industry?"

On the whole British industry was not going into perpetual decline, the Prime Minister replied.

"There are certain problem areas, cars is one of them, and there are enormous difficulties in some nationalised industries. They will not be sorted out until we reduce over-manning and concentrate on getting up production."

Mr. Callaghan gnawed impatiently on the issue. Why was the Prime Minister complacently accepting industrial decline? he demanded.

How could that encourage investment and expansion or help unemployment?

The Government had delibertately been "very cautious indeed" about the future, Mrs. Thatcher said.

Mr. Callaghan's own extremely optimistic assessments of output, on which he had based his public spending forecasts, had not come about and he had to send for the IMF.

Mr. Callaghan snapped that the present Government's cuts in public spending were not only socially unjust but economically crippling.

The only alternatives, Mrs. Thatcher retorted, were very much higher taxation or printing more money. "I reject those solutions."

Mr. Michael Meacher (Lab., Oldhsm W.) pointed out that Switzerland, Germany and Belginm had achieved lower inflation rates with much the same level of money supply as Britain.

"Doesn't that show very clearly that the Government's whole economic policy is based on a gigantic fallacy?" he asked.

"Of course it doesn't," Mrs. Thatcher said. There was a time lag between changes in the money supply and the rate of inflation.

"It only stands to commonsense that if you print more money than is backed by goods and services it will find its way through into increased prices in time."

Mr. Robin Cook (L. Edinburgh Central) suggested that if the Government's forecast of a 6 per cent fall in industrial production were realised, output would reach a lower level than it had in the three day week in 1974.

Output

"Are you content to go down in history as the Prime Minister who left British industry in a worse state than Mr. Edward Heath left it?" he asked.

"What happens in the next year depends on how hard and efficiently people work," Mrs. Thatcher responded. "Of course it does, of course it does," she shouted above the Labour jeers.

If workers were going to back strikes then output would fall. If they took advantage of increased productivity and previous investment to work with greater efficiency, they would get a higher standard of living.

"It is the only way to get a higher standard of living in this country," she insisted.

Anger over Rhodesia 'amnesty'

BY IVOR OWEN

A SURPRISE Government announcement removing the threat of prosecution from British companies who contravened sanctions by trading with Rhodesia after the illegal declaration of independence in 1965 was bitterly attacked by Opposition leaders in the Commons last night.

There were shouts of "double standards" from the Labour benches when the Cabinet's decision to authorise a blanket amnesty was revealed by Sir Ian Gilmour, the Lord Privy Seal and Deputy Foreign Secretary.

He made the announcement at the tail end of a statement promising aid totalling £75m over the next three years for the new state of Zimbabwe, which Rhodesia will become with legitimate independence on Friday.

Mr. Peter Shore, Labour's shadow Foreign Secretary, described the decision to give an amnesty to British companies who had broken British sanctions as "a mistake and a serious mistake."

He argued that such a decision was not justified by the earlier and necessary political amnesty covering all offences committed inside Rhodesia itself during the years of illegal independence.

With Labour backbenchers cheering approval, Mr. Shore declared: "We have a duty to uphold our own laws and it is necessary for us to do so if we are to get respect for law in Britain in the future and if we are to carry the right impact in countries abroad as well."

Sir Ian accused Mr. Shore of exaggerating the effect of the amnesty, particularly as no prosecutions were pending.

This brought further protests from Labour MPs who made it clear that the lack of prosecutions was the main burden of their complaint.

Sir Ian insisted that it would be quite wrong now to bring prosecutions "for offences that are no longer offences."

He recalled that the Zimbabwe Act 1979 granted an amnesty in UK law for political offences connected with UDI.

A similar amnesty was granted in Rhodesian law, and had subsequently been extended by the Governor in a general pardon covering all political offences up to the elections.

"Now that full amnesty has been granted to all those responsible for the situation which led to the imposition of sanctions, the Government feel that it would no longer be appropriate for any further prosecutions to be initiated for sanctions offences."

Sir Ian, who stressed that the measures applying sanctions in UK law had already been revoked, said he had been informed by the Attorney General that only one case, an apepal, was at present before the courts.

The amesty would not re-open past judgments. Effect would be given to the amnesty by an Order in Council which would have to be approved by the Queen.

Supporting the amnesty for British companies, Mr. Percy Crieve, (C. Solihull) maintained that a policy of magnanimity abroad and vindictiveness at home would be the wholly wrong way to set Zimbabwe on its new course.

The only way to get a good start, he said, was to wipe the slate clean of past offences.

Mr. Charles Fletcher-Cooke (C. Darwen) asked if the Government could give any word of comfort or hope for the long suffering holders of Rhodesian bonds.

SHORE: "Decision a serious mistake"

Sir Ian replied: "Not at this particular moment." But he added that Mr. Robert Mugabe, the Prime Minister of Zimbabwe, had said some very encouraging things.

Dealing with the decision to provide aid totalling £75m over the next three years, the Lord Privy Seal explained that the bulk of this money would be devoted to a substantial bilateral aid programme which would be allocated in agreement with the Zimbabwe government.

A mission from the Overseas Development Administration would visit Zimbabwe shortly after independence for talks with incoming ministers to identify projects.

Sir Ian told MPs that because of the marked extent to which the general aid programme was already committed over the next two years, and in order to minimise the impact of "this very substantial pledge" to Zimbabwe on the level of UK assistance to other countries, the Chancellor of the Exchequer had authorised a special arrangement to be made.

He had agreed, exceptionally, that a sum of £8m should be made available from the public expenditure contingency reserve in 1980-81 (with consequent adjustment of the cash limit) and of £7m in 1981-82.

Mr. Shore was also critical of the way in which the Government had determined the amount of aid to be provided for Zimbabwe over the next three years.

He contended that it was absurd to decide how much money should be allocated to Zimbabwe before the ODA mission had been able to examine the extent of the balance of payments problem facing Zimbabwe and the costs likely to be incurred through resettlement and making provision for refugees.

Sir Ian argued that Britain had been right to take the lead in announcing the provision of aid for Zimbabwe. The Government believed that many other countries would also wish to offer aid to Zimbabwe and he was confident that the total would amount to a substantial sum.

He indicated that an early announcement will be made naming the British high commissioner who will take up residence in Salisbury when Zimbabwe becomes the 43rd member of the Commonwealth.

Euro MPs' plea for cash aid

EURO-MPs yesterday put in a special plea for more EEC cash to help Scotland and Northern Ireland.

Ulster and the Scottish Highlands and Islands deserved special consideration, the European Parliament in Strasbourg was told. Mrs. Winnie Ewing, Scottish Nationalist Euro-MP, called for fundsto boost transport and appealed to the Community to establish either an institute of economic or energy research in Scotland.

She said the Islands were at risk because they were still losing population.

"The death of an island is familiar in Scotland, but when a island dies, a culture dies and the heart of the people dies," she said.

Two Ulster MPs condemned the failure of both the European Parliament and Britain in tackling Northern Ireland's serious economic problems.

Official Unionist member *Mr. John Taylor* said when the EEC decided to give certain projects funds, the British Government deducted the same amount" so the net inflow to Northern Ireland is nil."

The criterion for allocation of funds should be restricted to need alone, he sad. He insisted that Community money should be spent on transport projects, especially an Ulster rail system and a tunnel linking Northern Ireland to Scotland.

SDLP leader *Mr. John Hume* condemned the "scandalous" disparity between the rich and poor nations of the EEC. He denounced the hypocrisy of Governments which complained about the resources devoted to agriculture but then blocked moves to increase spending on the regional fund.

SNP votes campaign will centre on cuts

THE Scottish National Party will make the Government's "totally unnecesary" spending cuts a major plank in its campaign for the May 1 local elections, party leaders said yesterday.

Voters will be urged to ensure a strong SNP presence on Scotland's district councils to show the Government Scotland cannot be ignored, said Mrs. Helen Davidson, local government spokesman.

She was speaking at a press conference in Clasgow to launch the party's campaign.

The Nationalists currently either hold or control five of Scotland's 53 district councils, and are the biggest single party in a further three.

They will field 416 candidates, and for the first time will be mounting a big push in Dundee, where 17 SNP candidates will stand for the 44-seat council.

In Kyle and Carrick they hope controversial plans for test drilling to assess possible dumping of nuclear waste will fuel nationalist sentiment.

Some observers predict Labour as the biggest vote-catcher in Scotland in view of that party's local success in last year's general election.

But the SNP claims Scotlands' 44 Labour MPs have failed to win concessions from Westminster.

"They have been powerless in the face of savage Tory cuts from a Government 80 per cent of Scots did not even vote for," said Mrs. Davidson.

She said the Nationlists were offering the "common sense" local government approach of spending money wisely without either Labour "extravagance" or Tory "pennypinching."

The party claims healthy canvassing returns and an increase in its 70,000-strong membership.

'Feelings mixed' on Clegg findings

THE PRIME MINISTER described the Clegg Commission yesterday as having had "considerable difficulty" in reaching its recommendations on teachers' pay.

Mrs. Thatcher told MPs there were "very mixed feelings" about the Clegg recommendations.

"It is quite clear that they had considerable difficulty in carrying out their task," she said. But the findings must now be referred to the appropriate negotiation committees on pay and conditions.

"Most people agree that the professional obligations of teachers extend outside the classroom and it's very difficult to arrange pay unless you know what services you are paying for."

Mrs. Thatcher's remarks came in response to SNP leader Mr. Dondal Stewart (Western Isles), who called for a "Lever-type" committee to be set up to sort out rapidly the problems of teachers pay in Scotland.

Jenkin pressed on strike benefits

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT'S proposal to reduce supplementary benefit to strikers' families by £12 a week will apply equally to non trade unionists and to those affected by a lockout, Mr. Patrick Jenkin, Social Services Secretary, made clear in the Commons yesterday.

The controversial proposal on strikers' benefits is contained in the Social Security (Number Two) Bill, which was having its second reading yesterday.

During the debate, it was apparent that there were misgivings amongst some Tory MPs about the effect which the provision would have on workers who were forced out on strike against their will.

But the most Mr. Jenkin could offer them was a hint that some of these people might be assisted under the regulations which the Government will be drawing up to deal with cases of special hardship.

"It would be impossible for clerks on the Social Security counter to try to distinguish whether a person was a willing or unwilling striker," he insisted.

He came under renewed pressure from his own backbenches to give a firm assurance that the family of a non-trade unionist who was forced out on strike would not suffer hardship as a result of the Bill.

Mr. Jenkin said that he could not give an assurance in precisely those terms. The Bill applied generally across the board to those who absented themselves from their place of work as a result of an industrial dispute. But it also empowered the Government to make regulations to deal with hardship in special cases.

The Secretary also faced demands from the Opposition to say whether the proposals would effect employees involved in a lockout.

"A lockout is an industrial dispute," said Mr. Jenkin. "There are far fewer lockouts than there are strikes. There is no way one can determine the rights and wrongs of any particular industrial dispute."

The Government was elected to restore a fairer bargaining balance between employers — both public and private — and the trade unions. That was what thep rovisions on supplementary benefit payments to strikers achieved.

"The effect is to fix the responsibility for the support of strikers' families where it rightly belongs—namely the unions. That is what the country has demanded and that is what we are doing."

He said that the final supplementary benefit bill for the steel strike totalled £9m. But that sum would have been halved had the provisions in the present Bill been in force at the time.

Mr. Jenkin listed many of the susm which had been paid in social security to strikers in recent years. In most cases the unions had paid nothing out of their substantial funds to support the families of their members.

"There has been a rising tide of criticism of successive Governments for allowing this state of affairs to continue," he said.

"Many of these strikes have been directed at the public itself. In these circumstances it really is unacceptable that the public should have to find substantial sums to finance a strike. The time has come to put this right.

"Nowhere in the world does a striker's family qualify for socail assistance more readily than here."

Mr. Stan Orme, Labour Social Security spokesman, said there were strong rumours that the regulatory powers in the Bill were to be used by the Government to protect non-trade unionists from the effect of the supplementary benefit provisions.

"This is an extraordinary Bill," he protested. "In recent times no Government has introduced a Bill coming anywhere near to the diabolical proposals contained in it."

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● COMMUNICATIONS

New developments in optical fibre links

TWO MAJOR companies, Corning in the U.S. and BICC in the UK have made significant announcements in the optical fibre communications field.

Fibral is the name of the BICC development which consists of an optical fibre embedded in the centre of an overhead power conductor, thus providing a telecommunications link while preserving the electrical and mechanical integrity of the conductor.

In theory this development means that the overhead grid system of any country could be used for the transmission not only of the electricity authority's internal traffic but also for communications purposes in general.

In most countries, including the UK, such use would require a change in the monopoly position held by the PTT for line transmission. The potential, however, is clear enough. A large number of ready-made routes would become available with no additional way-leave problems. Furthermore, with optical fibre the capacity could be almost limitless.

For some time electricity authorities have sent signals down power lines using the existing copper but the problems of carrying both high currents at 11 kV say, with low level information carrying signals are severe; but by including a fibre in the power cable they are immediately overcome, since the fibre is separate from and has nothing in common with the cable.

Fibral has been designed to withstand the rigours of overhead line construction and working including vibration, thermal changes, ice and wind loading and creep. It can be used either as a shield wire or a phase conductor at the line design phase or can be substituted into existing lines.

At the Central Electricity Research Laboratories at Leatherhead, Surrey, a 900 metre length of the new cable has been operating since last summer, successfully carrying various kinds of data and television signals. Two further types of Fibral are planned for erection this summer as additional conductors on an existing South Eastern Electricity Board 11 kV line. BICC is at P.O. Box 1, Prescot, Merseyside L34 5SZ (051 426 6571).

The announcement from Corning is at a somewhat more fundamental level and reveals the development of a fibre that has two usable wavelength "windows," at 850 and at 1,300 nanometres.

The company says that the fibre will allow engineers to develop systems that can be upgraded after installation. It points out that many workers are interested in developing systems to operate at 1,300 nm since it should be possible to carry more information over longer distances at lower costs. At the moment, most communications fibres carry signals from light sources operating at 850 nm.

Composition is all-glass of improved specification resulting from enhanced techniques at Corning and the fibre has a 50 micron core with 125 micron outer diamater.

The company appears to be offering the fibre in a number of grades and quotes three nominal attenuation rotes at 850 nm of 2.5, 3.0 and 3.5 dB/km, and at 1,300 nm of 1.0, 1.5 and 2.0 dB/km. Telecommunications Products Dept., Corning Glass Works, Corning N.Y. 14830 U.S.

GEOFFREY CHARLISH

● MATERIALS

Will make building slabs

TRIALS OF a plant for making multi-purpose building material for installation in Malawi later this year have nearly been completed by technologists at the Tropical Products Institute, a scientific unit of the Overseas Development Administration.

The plant is a small scale unit for producing wood wool cement slabs, a composite material which it is hoped will replace certain building materials imported into Malawi.

On arrival in Malawi it will go into production for the Forest Industries Division of the Government of Malawi's Department of Forestry as part of the British aid programme. It will produce two thicknesses of board, one of ¾ inch for use as a roof lining or ceiling and a further one of 2 inches for use as a cladding material. Initially, these materials will be used largely by the Department of Forestry aod by the Ministry of Works and Supplies in their own building programmes.

The plant, which will daily produce 160 wood-wool cement slabs each measuring 8 by 2 by 2 feet, includes a shredding machine to produce strands of wood (wood-wool) from timber billets. The wood-wool is soaked in a dilute solution of calcium chloride and this inhibits the action of natural wood sugars that prevent the setting of cement.

The wood-wool is then transferred to a centrifuge to remove the surplus solution and taken to a machine where a cement slurry is added. The wood-wool is turned mechanically with the cement slurry to obtain a thorough cooting, then emptied out and hand spread into wood moulds. The full moulds are pre-pressed individually and stacked in 1 tonne batches for final pressing. The batches are left under pressure for 16-20 hours after which the slabs are removed from the moulds and stacked for drying and curing.

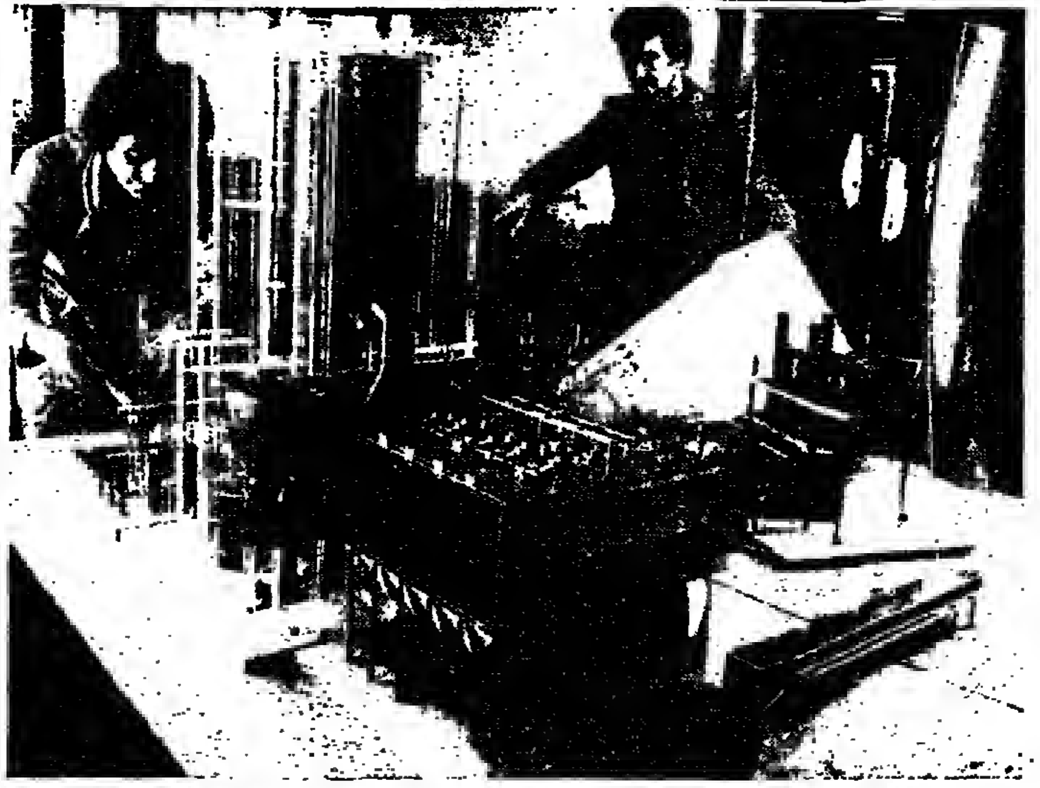
● HEATING

Portable gas-fired heaters

SPECIALLY FOR operation on propane or butane gas is a range of infra-red industrial heaters called the Miniray Series from Schwank, 11a St. George's Road, London SW19.

Outputs range from 6,250 to 25,000 BTUs an hour and each self-contained heater offers three options in use—upright on the floor, or hung from a wall (with the angle of the heater adjusted as required in either case), or horizontally (on its back for boiling a kettle).

These portable models can be used in small offices, site huts, outdoor working (even camping sites) and be wheeled to any location together with their gas bottles.



This model of a coal-fired power plant without a chimney stack will be among several models on the stand of Kraftwerk Union AG (KWU) at the Hanover Fair which opens today. It is a model of the demonstration plant at Völklingen, with fluidised-bed firing, which is being financed with the help of federal resources. KWU has been awarded the contract for the overall plannin gof this plant and also for the supply of the 195 MW stea mturbine generator set. The plant will also serve a district heating systems.

● TRANSPORT

Built to carry hot coke

ABLE TO withstand the severe temperature extremes, and abrasive and corrosive conditions, inherent during coke quenching operations is a rail vehicle developed by Adamson Butterley at John Smith Crane Works, PO Box 21, Bradford Road, Keighley, West Yorks (0535 605311).

In operation, the vehicle, called a car, receives from the coke oven 14 tonnes of coke at 1,400 degrees C which it then takes to a water quenching station The car is cooled before returning to a discharge station where pneumatically actuated side doors open to release the coke from the car's sloping floor. The car is shunted by a locomotive which also provides the compressed air for door operation.

Welded joints are vital in the manufacture of the car and, to avoid thermal cracking, all welds are pre-heated to 150 to 200 degrees C (depending on plate thickness), and then slowly cooled using asbestos blankets.

This technique was developed in conjunction with the British Welding Research Institute. Consideration was given also to ways of avoiding preferential corrosion in the acidic working conditions.

The ends and discharge side of the car incorporate water-filled jackets which assist cooling and also reduce the effects of thermal fatigue and corrosion. All interior surfaces in contact with coke are produced from "Creusabro 32" anti-corrosive, wear-resistant steel.

Floor of the car is made up of eight identical full-width plates which ade designed to expand without distortion and which are readily replaced. All parts of the car not in contact with coke are in "Corten grade A" anti-corrosive steel which is shot blasted, primed in zinc silicate and protected with several coats of epoxy paint. Doors incorporate drain holes and have detachable wear plates.

● MAINTENANCE

Makes access much easier

WHETHER IT is being used by the do-it-yourself enthusiast, or in professional or commercial applications, a work tower is not only easy to erect but promises a safe platform (4 ft 4 in square). Apart from offering security to the operator it also allows plenty of room for tools, paint pots, or even the ubiquitous cup of tea.

Instead of having to move a ladder to extend an operator's reach, the tower allows him to cover an area of about eight by seven feet at any given time.

Inside the home, the unit can be used as a decorator's platform, stair-well unit, or even as a workbench.

Available from Easy-Rect Products, Shenstone Trading Estate, Bromsgrove Road, Halesowen, West Midlands (021 550 7426).

● MACHINE TOOLS

Cuts tube at high speed

LATEST parting-off lathe for tubing up to 60 mm diametre put on the market by TI Brookes is capable of rates up to 2,800 pieces per hour and ha sa cutting programme controlled by microprocessor.

High speed action is produced principally by applying a cutting tool in an over-centre position, allowing deeper cutting into the metal with each rotation and reducing the parting time typically by 50 per cent. The cut is also cleaner, causing minimum burr inside and outside the tube and in addition the toolpost is easily accessible, a tool change taking no more than 30 seconds. Operation is pneumatic via standard metric cylinders, with electrical limit switches.

Among the options available are an automatic magazine feeder unit, a second tool post for simultaneous operations and a swarf and small component separator.

The microprocessor allows considerable flexibility. For example, if the operator wants to dispense with the trim cut on a new length, he just dials in a code and adjusts the value of the trim cut to zero using increment/decrement buttons.

More from Brades Road, Oldbury, Warley, West Midlands B69 2DL (021 552 5311).

Designed to cut profiles

A NUMERICAL control flamecutter which utilises the latest microprocessor technology—and said to be the only one of its kind in Britain—is called the NC 2000 and has been launched by Shapecut, Perimeter Road, Woodley, Reading, Berks (Read-Inñ 696565).

It is offered particularly to general engineering companies which look for economic profiling (manual programming is also possible for most applications).

Cutting width is up to 8 metres with six burners. Additional extras include plasma and laser cutting, flame planing heads, centre punch and powder marking, automatic height sensors, and water sprays.

● LIGHTING

Emergency lamp

INTENDED FOR use in banks, shopping centres, small offices and hotels is emergency lighting equipment in the form of a self-contained hot cathode fluorescent lamp from Carters, Sycamore Avenue, Burnley, Lancs (0282 27911).

Should the mains fail, a light output of 140 lumens is provided for up to three hours by sealed nickel cadmium batteriea matched to a constant current type charger.

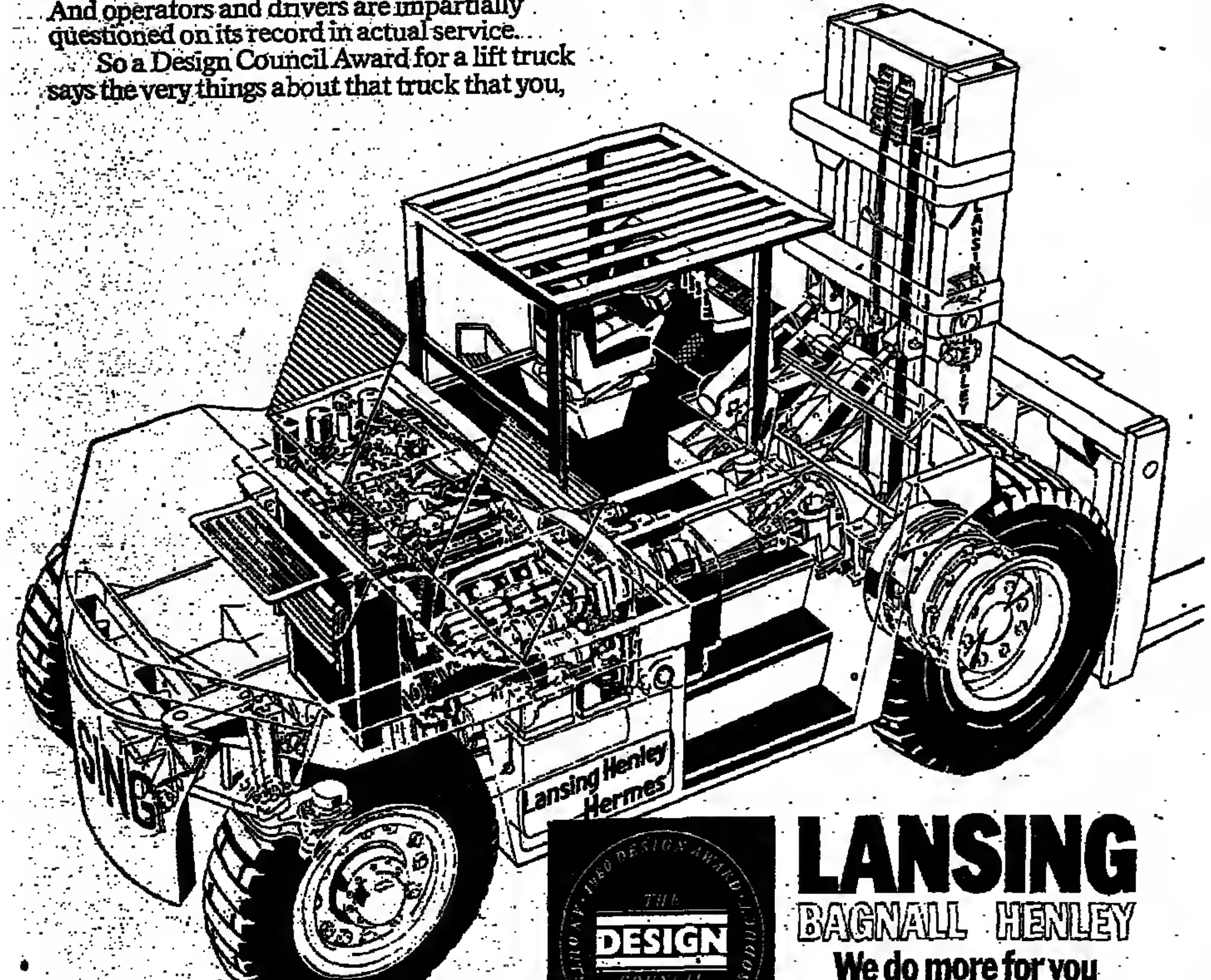
This provides a normal operational life of at least four years, says the company, even at a constant ambient temperature of 30 degrees C, and eliminates the possibility of cell damage in the event of prolonged discharge.

IN BRIEF

● Model 308 data analyser can be used for the state and timing analysis of serial digital data and for signature analysis. It has a reference memory which enables two separate sets of data to be compared and a display memory which allows 252 bits from each of eight channels to be displayed. Tektronix, PO Box 69, Harpenden, Herts. (Harpenden 63141).

● Burndept Electronics, St. Fidelis Road, Erith, Kent (03224 39121) has a remote controller for radiotelephone systems that allows the base station operator to use a remote transmitter and aerial system over Post Office telephone lines.

● Supercorder, from Russet Instruments is a multi-channel galvanometer recorder which uses up to eight high power feedback units to drive heated point styli. "Unsurpassed" linearity, bandwidth and accuracy are claimed. RIL House, Sheen Park, Richmond, Surrey, TW9 1UN (01-940 9981).



Protecting the bottom line by helping the inner city

Jason Crisp on what the Americans have been teaching British companies about community involvement

OVER the last 20 years leading American companies have been forced radically to rethink their relationship with local communities and society in general.

Many corporations were caught up with the problems of the urban crisis of the late 1950s and 1960s as inner city areas become less and less habitable. Added to that has been the growth of powerful environmental consumer and minority lobbies.

As the cities deteriorated, such companies began to find themselves increasingly isolated in depressed areas as smaller, more mobile, businesses and the middle classes fled to the suburbs. One giant corporation found that its head office had become surrounded by a red light district—making it very difficult to find secretaries, who were repeatedly accosted on their way to and from work.

The companies were left with the option of either moving, at considerable cost, or becoming involved in improving the local area.

Twenty years later a number of British companies are beginning to face up to similar issues. Rising unemployment, deteriorating inner city areas, racial tension and a growing hostility to busines has led to a realisation by some companies — though not very many so far—that they cannot close their eyes to the society around them.

Last week a small group of leading American and British companies — including General Motors, Shell, BP, Marks and Spencer and Ford —met at a seminar in England ostensibly to exchange information on their experiences with community involvement and other forms of what has become known as "corporate responsibility." But for the most part it was the Americans who were giving the British the benefit of their much greater experience.

The conference, held at the Civil Service College in Sunningdale, was jointly sponsored by the U.S. Embassy in London and the Department of the Environment.

Although the American companies were preaching to the converted, it came over very strongly that they regarded involvement in community affairs as a necessary part of safeguarding "the bottom line." Although the UK companies would relate corporate responsibility activities to long-term profitability in a fairly loose way, they did not perceive it as clearly or determinedly as did the Americans.

A major difference between UK and U.S. experience has been in the degree of co-operation between business and local authorities. In America the dividing line between the two was very much less rigid, the conference confirmed.

Many of the U.S. projects had involved considerable co-operation between companies and City bodies which looked unachievable in Britain at present. One of the reasons for this, it was suggested, was that the broad similarity in attitudes to business on the part of the American political parties made it much easier for companies to become involved in City affairs.

Corporate headquarters in the U.S. are also much more widespread through the country than in the UK, where most are in London; this is a further incentive for the Board to become interested in local affairs. The considerable involvement of Pilkington — Britain's largest glassmaker—in St. Helens, Lancashire, would not have developed, suggestedone delegate, had it not kept its head office there.

Tom King, Britain's Minister for Local Government and Environmental Services, reflected after the conference that it had demonstrated just how wide the gap between business and local government was in the UK. "There is a clear need for more co-operation," he said.

There was also a difference in the type of problems in which companies were becoming involved. The Americans were paying particular attention to capital projects in inner cities (the example of Detroit is described below) and to helping alienated youth, particularly from ethnic minorities. One of the problems in America was that not only did companies have to "be persuaded to employ minorities, but frequently those from minority groups needed pre-employment training before they were suitable for appointments.

The British attitude and practices in community involvement and corporate responsibility were much more governed by the state of the economy. First it was widely felt that there was less money available to be spent on such activities and second that many of the problems resulted anyway from the country's poor economic performance.

A number of large British companies has recently become involved in schemes to help small businesses, either through individual efforts such as those of Shell, ICI and Pilkington, or through organisations like the London Enterprise Agency.

The agency — which has now been imitated in several other English cities such as Birmingham—was set up in April, 1979, by a group of major London based companies to help small business. It is staffed by a group of managers seconded from the sponsoring companies.

At such an early stage it is impossible to judge what will come of the conference. It would seem that the enthusiastic and hard-nosed approach of the Americans encouraged the British to be more determined and to appreciate the need to stimulate other companies. As one delegate put it: "It is no good just saying these problems don't exist, or it's not my responsibility, and then putting your head back in the sand."

The Americans may be ahead but they share a common problem with the British in that only a relatively few companies in both countries can see any need for business to respond to social problems and social change.

Spotty

As James Langton, Bank of America's senior vice-president for social policy told the conference: "What has been businesses' performance in the socio-political maelstrom of the past 20 years? In a few companies it has been good, in others it has been spotty, but on the whole it has been miserable. If corporate response to changing performances in the marketplace for products and services were as tortuous as the response to social change, there would be a killing number of bankruptcies in the American business system. Yet, in the long run, failure to adapt to societal change may prove as lethal as failure to adapt to market change."

The phoenix rising from Motown's ashes

THE RECENT riot in the St. Paul's area of Bristol may have alarmed much of the British public, but compared with the incidents which occurred in Detroit 13 years ago it was, thankfully a pretty tame affair.

At a time when many large American cities were witnessing scenes of growing urban violence, Detroit stood out as having some of the worst problems of all. Marauding discontented blacks burned and looted this already hideously ugly town which had grown up around the heart of the U.S. car industry—sometimes known as Motor City or Motown.

Inevitably, the city's fortunes have always been closely tied to those of the motor industry, which directly employs one in five of Detroit's labour force, and indirectly a good many more.

Over 60 per cent of the city's population of 1.2m is black and total unemployment has recently risen to around 13 per cent. Employment prospects are not seen to be good either —not least because the rush by car manufacturers into small cars is likely to mean less jobs rather than more.

The present recession, the fall in sales of large cars and the ailing state of Chrysler—the largest single employer in the city—might make it look as though the return of civil disruption is imminent.

But the future of Detroit, troubled as it is, is not quite as bleak as it might have been. The major corporations have not moved their headquarters away and they remain committed to the future of the city. A recognition of the changes in the last ten years will be the holding of the Republican National Convention there in July. Detroit itself is mainly Democratic.

There have been a number of changes since the upheavals of the 1960s. In 1974 Detroit elected its first black mayor, Colman A. Youog who, according to a number of accounts, has been a powerful and unifying force within the city. He has, with notable political skill, attracted considerable federal financial assistance to help alleviate its problems, and to rebuild and revitalise the city.

Although much of the funds for this work have come from Government coffers, local industry too has been investing large sums in the city. In the short term, at least, not all the investments have been as commercially profitable as they would have been had they been made in a less run down area.

The most visible effort is the "Renaissance Center" which dominates the "down-town" area of Detroit. It is a gigantic complex of offices, shops, cinema and a hotel, set by the edge of the river which divides the city. At the centre of its five soaring towers is one 75 storeys high, containing a 1,400-room hotel. The surrounding four towers house 2m sq ft of office space.

Apart from its size the remarkable thing about the centre is that this $350m investment was begun in the early Seventies in a disused and decaying part of the city at a time when business and the middle classes were getting out as fast as they could. And it was funded entirely by private investment.

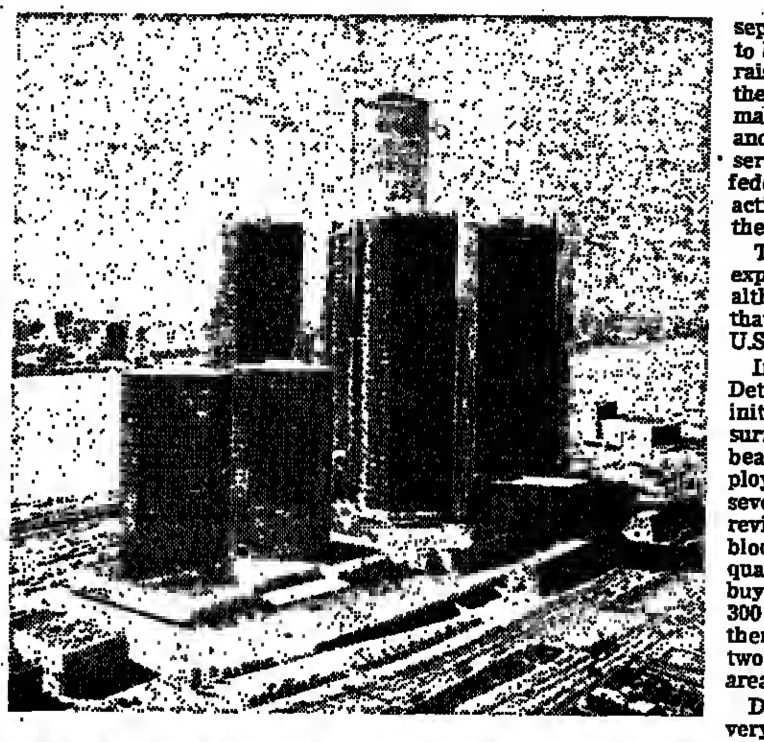
After the riots in 1967 the business community joined with community leaders and local government to discuss how to tackle the problems of the minority groups. Most of the discussion centred on their particular problems, such as unemployment and drug abuse.

For the first three years, very little was done. But then the business community—led by General Motors and Ford—decided there was a need to demonstrate their commitment in a visible physical way. They did not have a great number of options; either they could leave the city or try and improve it. Both options were expensive.

The basic initiative was taken by Henry Ford II. In 1971 a non-profit making organisation, Detroit Renaissance, was set up with a $1.7m annual budget, and the objective that its name implies—acting as a catalyst to revitalise the city. On its board sit the chief executives of the member organisations: the 28 largest companies in Detroit including Ford, Chrysler, General Motors, Burroughs and Bendix.

Only the chief executives have a seat on the board, and they are not allowed to send substitutes to any of its meetings. Once the car giants agreed to attend there was little problem in persuading the others.

The city also has a small investment in Detroit Renaissance, as Robert McCabe, its president, explains: "The private sector just could not not do it alone without public sector support. If the city is putting money in we are going to keep its commitment."



The Renaissance Center in Detroit as it will look when the two towers in the foreground—which have been superimposed on the picture—have been built

One of the first priorities of Detroit Renaissance was to invest in bricks and mortar as a way of demonstrating "business commitment" to the city. "It was in a very hostile climate and at a time when there was absolutely no investment in downtown Detroit other than by banks and the utilities who were tied to the city. Traditional enterprise was not willing to take the risk—it was easier to build in the suburbs," says McCabe, who was in London last week for the Anglo-American conference on community involvement.

"We wanted to demonstrate with a large scale multi-purpose project that it was a place worth investing in and that it would be a catalyst for further development."

The site on which the centre was built consisted of old car parks, a disused warehouse, grain elevators and old railway sidings where there were no families or businesses to re-house. With the mayor on the board of Detroit Renaissance, as an ex-officio member, the City went out of its way to expedite planning permission and to close where," says McCabe.

Henry Ford II managed to persuade the unions to agree to a no-strike clause on the construction work, and also got a total of 51 Detroit companies to invest $38m in equity for the building. Loan finance was obtained from five local banks and insurance companies.

"This was to be a profit making venture although it was very, very clear from the start that we would not get as high a return as we would elsewhere,' says McCabe.

The site was assembled and the development plan produced in five months. A year later work began and in 1976 the first offices were occupied.

A further two towers are being built now — the steel structure is just going up—this time as a joint venture by the Ford Motor Land Development and the Rockefeller Centre. The latter is seen as particularly important by McCabe, as it is a strictly commercial investment which has come from outside Detroit.

McCabe boasts that the office centre has created a ripple effect through the rest of the community; a firm of outside management consultants claimed to have identified a $1bn stimulus to the Detroit economy.

Although there is a 95 per cent occupancy of the office space there has been less success with the 340,000 square feet of shopping and commercial area, where occupancy is only 65 per cent. According to Fortune magazine some of the shops have been doing badly and the hotel has long stretches of low occupancy.

Detroit Renaissance's second major scheme is to try and revitalise the "retail core" of the downtown area, which has been losing market share to the suburbs for a long time. A $250m project, supported by urban development grants is being started to build a giant new shopping mall in the centre of the town.

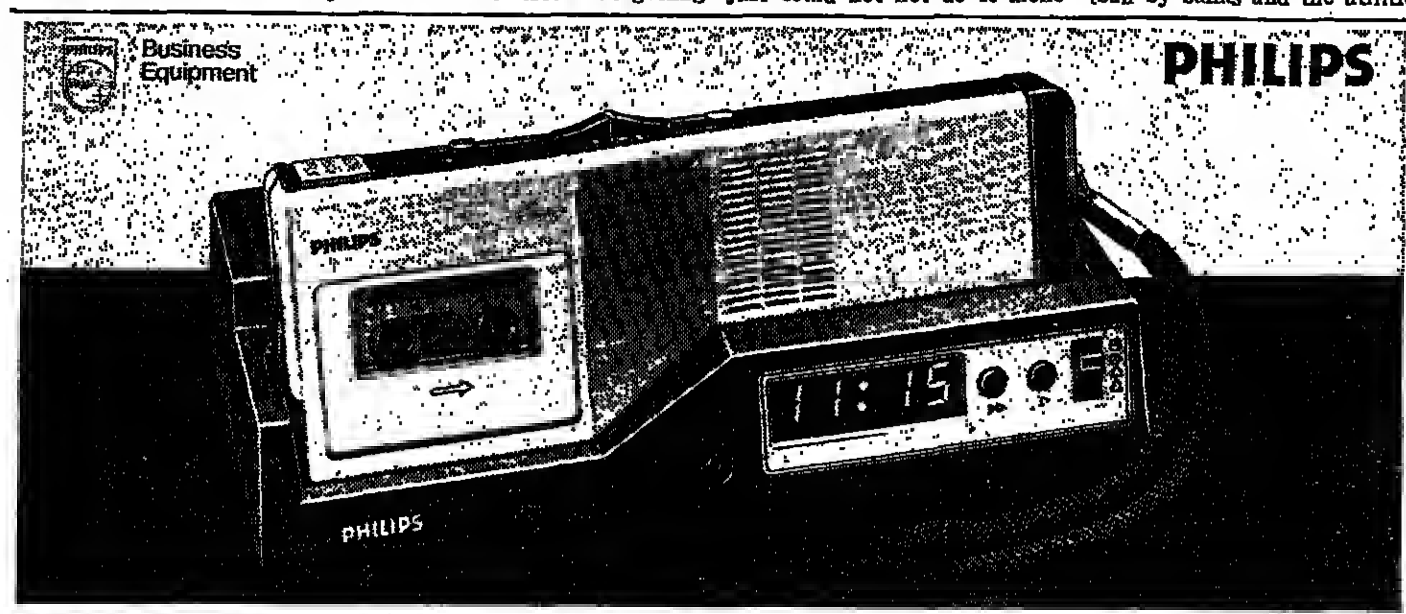
A third and key part of Detroit Renaissance's programme is the encouragement of private housing in the downtown area. Over 7,000 units are to be built or converted at three separate locations. The work is to be done by private developers raising their own finance, and the units will be sold or let at market rate. (The only assistance is the provision of some services and utilities through federal urban development action grants as a stimulus for the developers.)

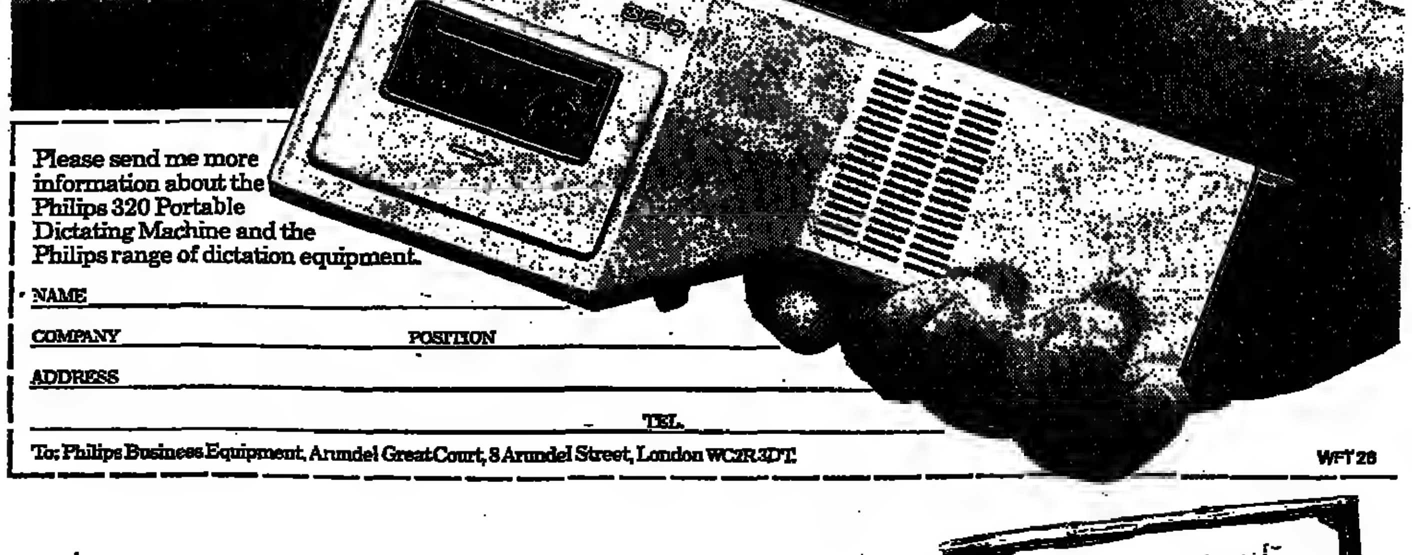
The five-year programme was expected to start this autumn although McCabe adds ruefully that this is most unlikely until U.S. interest rates fall.

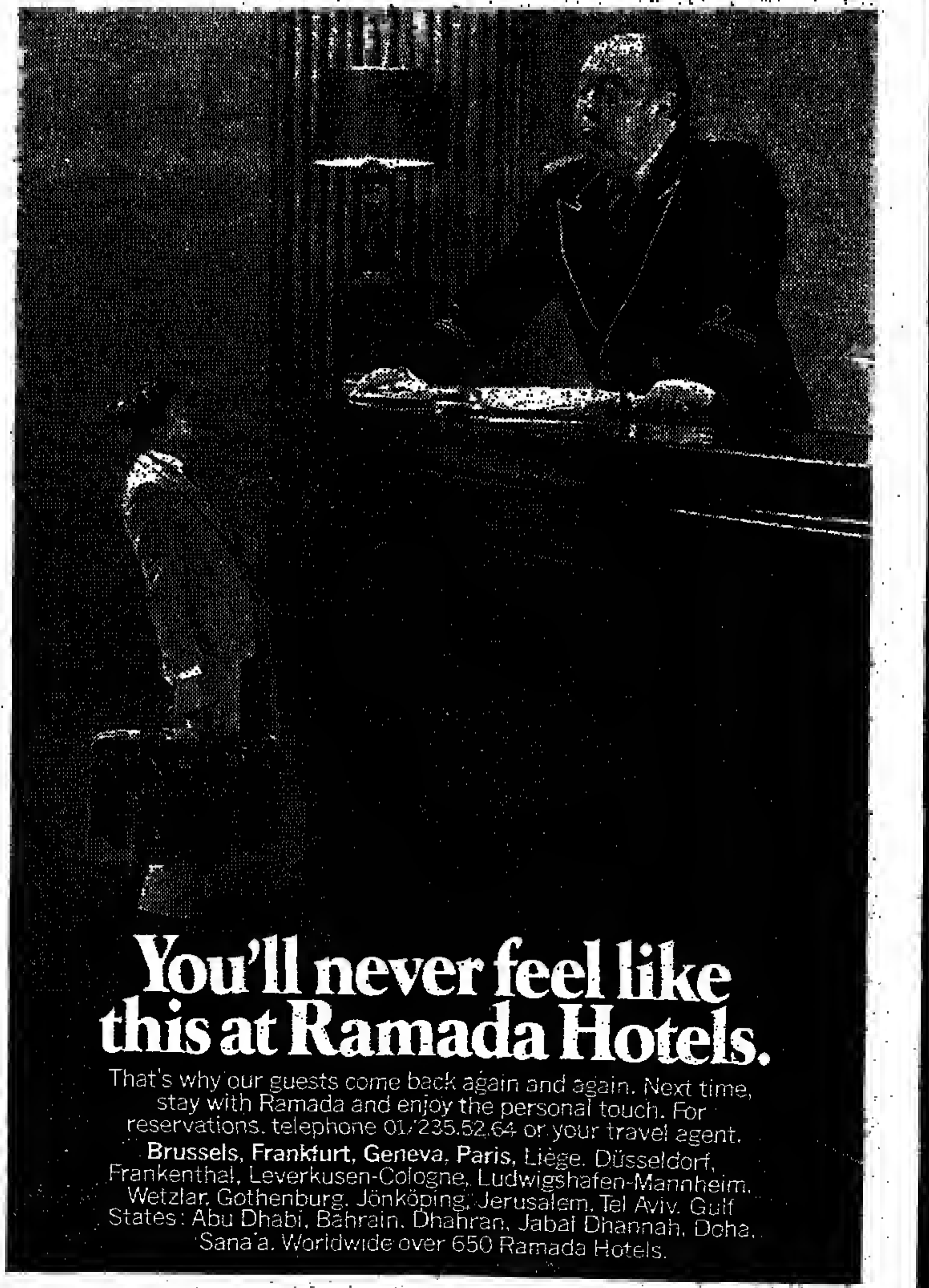
Individual companies in Detroit have also been taking initiatives. The area which surrounds General Motors' headquarters—where 6,000 employees work—had declined severely. GM has begun a revitalisation programme of six blocks surrounding its headquarters, which has involved buying and renovating around 300 houses and flats and selling them at low cost, It also plans two small parks and a shopping area.

Detroit, of course, still has a very, very long way to go. As Fortune notes: "For all its latter day improvements, the present Detroit, which Detroiters always call 'this town,' remains barely more than an apparition of a city, with old high rise office buildings jutting up between parking lots, boarded up stores and stretches of lunar landscapes."

But Victor Marrero, President Carter's Under Secretary for Housing and Urban Development, was prompted to remark in London last week: "The thinking about Detroit has changed . . . people are wanting to stay."







3rd WARNING

BEFORE YOU BUY A HIGH PERFORMANCE CAR ASSUME YOU WILL HAVE A HIGH-SPEED BLOW-OUT.

The thought of a front tyre blowing out on the motorway is almost too horrific to contemplate, particularly if you were to have the family on board. Yet it is a possibility that every responsible person considering a high performance car, or for that matter any other car, should think long and seriously about.

For a high-speed blow-out is liable to leave even the most accomplished drivers helplessly out of control, as the car goes slewing off the road or smashing into the oncoming traffic.

Yet, if you were driving the fuel-injected Citroën CX GTi, with hydropneumatic suspension, this potentially very terrifying event would be a non-event.

This is because Citroën's hydropneumatic suspension would enable you to go on driving, even steering the car round corners, until it was safe to stop.

The inconsequential chore of changing the wheel would become something of a joy as you reflected on what could have happened. Especially as you can jack up the car most of the way from the driver's seat.

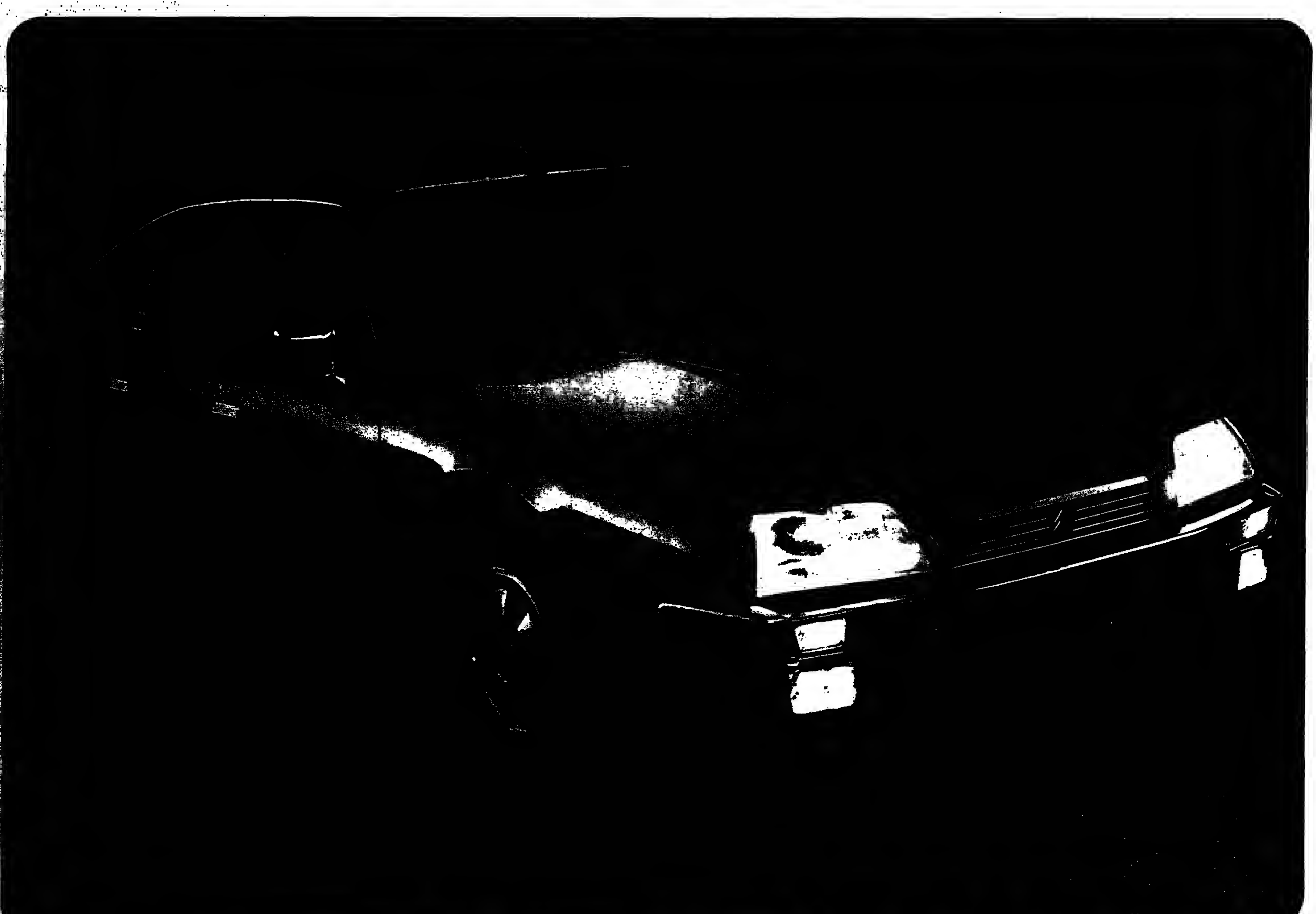
A further contribution to safety, as well as performance, is the advanced aerodynamics, which extend even to the underside of the car, so that it is literally sucked down on to the road.

While VariPower steering, which becomes firmer as you increase speed and prevents the wheels from being deflected by stones or irregularities in the road, enhances still further your feeling of absolute security.

Front-wheel drive and self-levelling hydropneumatic suspension which irons out all the bumps in the road surface complete a road-holding capability that has to be experienced to be believed. Indeed the Citroën CX GTi has many more advanced features than any other high-performance production car, regardless of price.

As well as the one which could save your life.

NB. If you missed the 1st and 2nd Warning advertisements in this series, it could be in your best interests to contact Citroën. We will be pleased to send you a copy of these advertisements and also our CX brochure.



Illustrated CX GTi, fuel injected with 5-speed box, £8203.81. (Sunroof optional extra.) Also available CX 2400 Pallas, fuel injected with C-Matic, £8227.48. Prices include car tax, VAT and inertia reel seat belts, but exclude delivery charges, £83.95 (inc. VAT) and number plates. Prices correct at time of going to press. All Citroën Cars have a 12-month unlimited mileage guarantee. Check Yellow Pages for nearest dealer and ask about our preferential finance scheme. Please enquire about our Personal Export, H.M. Forces and Diplomatic schemes to: Citroën Cars Ltd., Mill Street, Slough SL2 5DE. Tel: Slough 23808.

LOMBARD

Why Callaghan must stay

BY MALCOLM RUTHERFORD

IT IS DIFFICULT not to feel sorry for Mr. James Callaghan, the leader of the Labour Party. Two years ago he was widely regarded as a successful Prime Minister — certainly much better than his performance at any of his previous departments had suggested and considerably better than his predecessor, Harold Wilson. The economy had been brought back from the brink, the government machine worked reasonably well and the fortunes of the party had revived. There were even prospects of winning the general election.

Dried up

How different it is today! Hardly a week goes by without headlines appearing about the Labour leader being rebuffed by the National Executive or the left wing. Mr. Callaghan cannot even go to China, which he will do next month, without somebody raising questions about whether the Labour Party should pay or, even more asininely, whether such a trip will be regarded as an affront to the Soviet Union.

Mr. Callaghan is 68. The next general election is unlikely to take place before 1984. Not even memories of Konrad Adenauer or General de Gaulle, nor current reflections on Ronald Reagan, who could be President of the United States in his seventies, do much to encourage the thought that the present leader of the Labour Party could be seeking to return to Downing Street in four years' time.

And yet an odd thing has happened. When he was Prime Minister, Mr. Callaghan used to put it around from time to time that he would be quite happy to retire to his farm if the party did not like what he was doing. Those stories have dried up. Nowadays when the Labour leader makes a major appearance—for example, on television—the qustion he asks himself is simply this: could anyone else in the party have done it better? The answer is Mr. Denis Healey perhaps, but as for the others, Mr. Peter Shore, Mr. Roy Hattersley, Mr. John Silkin, it is certainly not.

Mr. Callaghan is right. None of the rivals for the leadership have done anything much to enhance their reputations in the past year or so. Mr. Healey is trying hard to develop a version of social democracy based on the Austrian and German models, but he is scarcely making much of a splash. Mr. Hattersley has revealed remarkable talents as an essayist, as his weekly column in the Listener demonstrates. At the younger end of the scale, Dr. David Owen is working conscientiously on a variety of subjects. But none of the aspirants have made the great leap forward that is associated with a leader-designate. Indeed there is a strong case for saying that if Mr. Callaghan were to fall under the proverbial bus tomorrow, he would be succeeded by Mr. Michael Foot, who is 66.

There is another reason why Mr. Callaghan would be right to stay. The future of the Labour Party will be decided by what happens to the Conservative Government. In that sense many of the present squabbles are irrelevant and wholly forgettable. For instance, if Mrs. Thatcher succeeds in making it up with Europe so that Britain can live happily in the Community ever after, it would be pointless for the Labour Party to go to the country on a platform of "Get Britain Out." Again, if she manages to reform the climate of industrial relations in such a way that the slogan "every strike a general strike" becomes a thing of the past, the Labour Party will have to sit up and take notice. One can make the same point about the successful development of a social market economy.

Marking time

Now, of course, all those arguments can be made in reverse. If Britain is still quarrelling with Europe over the budgetary contribution this time next year or the year after that, it is pretty clear what Labour policy will be and no doubt it will command widespread support. But the point is that Labour needs to react to what is happening rather than refight the battles of the past. It cannot react yet because it does not know what is going to happen. We shall need to think about the Labour Party again in a year or two. Meanwhile, the best way of marking time is to keep Mr. Callaghan.

The surprising skills of ordinary people

GARDENS TODAY

BY ROBIN LANE FOX

THIS PAST week has been a gardener's paradise. There has seldom been such a chance to remove the weeds and put weedkiller in their place. Mid-April is the season for Simazine, that invaluable chemical which will sit in the top inch or so of a mature flower bed's soil and kill off anything which might be tempted to germinate.

I buy it in the powdered brand called Weedex and water it on to the ground between roses and the ever-decreasing survivors after winter in my herbaceous beds. At a weak strength, it can even be used among irises. You should avoid the roots of your plants, but if you aim carefully on to the blank spaces which you have cleaned between them, you will not be troubled by any new crop of weeds for the next three months, perhaps longer.

Be sure that you put it only on clear ground as it will prevent further growth only. You ought to have the mixture on the ground by late April, preferably in weather as dry and calm as the recent spell since Easter. Remember that you cannot expect to grow bedding plants where you have sprayed Weedex, so if you want a bright front garden, leave a space for them.

For once, you must be thinking, all seems set fair for the summer in the column which complains most often about bad times and bad luck. You would be right, except for those two words "front garden" which have thrown me briefly into confusion. This is not infrequently the result when I watch television, and after the repeat showing of BBC 2's Front Garden film last Friday, I feel that I have lost all touch with people in Britain whose gardens are most fun and a pride to them. An hour's tour on screen of the country's front gardens is enough to convince anyone that Britain is still firmly anchored to its grass-roots.

Here, after all, were gardeners who kept on calling themselves "ordinary people," as if it was perfectly ordinary to cut hedges into the shapes of battleships, grow silver-blue delphiniums with flower-spikes two feet long or cast a concrete model of Lincoln Cathedral in the space of an afternoon. These "ordinary people" turned a graveyard into a herbaceous garden and saved all their spare money to spend it on peat. They painted a gnome or two for a tea party on toadstools and placed them round their mock stone windmill. Almost all of them were a natural turn on television and, as they started talking, they began to realise it.

There were no young gardeners, no keen growers of any unusual plants. But there was a string of witnesses to the private energies of Britain, to the very hard work which goes on our hours of leisure, and the skills which can take on anything, the clipping of trees into shapes like steam-engines and the growing of silver thistles on a grass verge which the local council did not want to know.

Why, then, the confusion? Good documentaries ought to make us feel for the subject on view, and I left this very good one with an alarming feeling for straight beds of French marigolds and plaster-casts of the Wombles in small grottoes of sea-shells.

The marigolds were arranged to the mathematical taste of their owner who thought they befitted his career in engineering design. The gnome-owners thought about them, loved them and wanted to be different, attitudes which are prized in anyone who grows plants. They discussed them so seductively that you had to be made of plaster yourself not to feel that they were something more than a silent version of those frightful Hobbits.

Moods soon pass and television, like travel, confirms most of the prejudices which you bring to it. I would still vote Front Garden my Topiary Oscar for 1980, cut to the shape of three-storied beehive from the up-an-coming Candida Lycett-Green.

It left me with two more permanent felings. It is nearly a century since the first battle-cry was sounded against the mindless placing of bedding plants in strips of colour and the protest still seems to me to be right. Yet the battle has been fought in vain. When one front gardener confessed to growing 5,000 bedding plants for his small front garden and took pride in their regular lines, he sounded to me like some 1914 general enthusing about the number and straightness of his trenches, which had been dug and staffed in a massive misaplication of effort.

Form, colour, harmony, the contrasts of height and shade; these qualities are killed by this style of gardening and even if the owners refer to their artistic interests, they give themselves away. They ought to be converted not congratulated, for they have the skill and the utter devotion to work which could grow anything other than lines of red salvia. The prizes in council competitions still go to those in Britain whose marigolds shout the loudest.

The two judges of council gardens in the London area struck me as revealing. One simply told the other what marks to give, so neither paid imaginative attention to the quality of the plants or the sensitivity of the colour-schemes. A good show of lobelia always swept the board, so it is not so surprising that many keen gardeners start by thinking that it must be the peak of achievement.

Perhaps the judges could begin to disagree and help to turn taste in a more artistic direction.

Nevertheless, these lines of lobelia are deeply loved and must account for at least half the lag in output between this country's labour force and any other's. Nothing I write has any interest for this enormous class of British gardeners who know what they like and grow it superbly. From the others, however, there are lessons for us all.

The others are the romantic gardeners, all of them as hardy and persistant as any of their hollyhocks, who like an informal mixture of cottage-garden flowers. These self-styled ordinary people, who heroically turn Derbyshire churchyards into flower borders or become immune to bee-stings after 50 years, have opted for the least ordinary life, one which sets our gardens apart from any others in Europe.

They give hours of devotion to plants which they grow perfectly without imposing too strong a sense of order on the whole. Their gardens make excellent use of plants which the new generation of weekend gardeners ought to put at the top of their list. For a cottage garden, you must have decent hollyhocks.

You must learn to grow far better delphiniums than I can, probably by feeding the ground heavily with rich farmyard manure. You must also go in sweet peas, sowing them as early as possible where you want them to flower, perhaps using cloches for early protection and certainly digging a rich trend of vegetable manure beneath them. These three flowers and the old sorts of rose were the mainstays of these apparently artless gardens.

If you want the same romantic mood, Front Garden showed us that these are the plants with which the experts began. I would still put in a good word for my war with weedkiller, and a better word for the couple who set about the former owners' gnome collection with a sledgehammer and were filmed reducing the garden to a suitable dog-run. I hope we see this film yet again, ironic, touching and itself as apparently artless as the best front gardens on which it focused.

Ela-Mana-Mou for Sefton

RACING

BY DOMINIC WIGAN

TOP-CLASS sport continues this afternoon at Newmarket where racegoers will have the chance to see such high-grade performers as Ela-Mana-Mou, Cracaval, Welsh Chanter and Suavity in action.

In addition there are some illustriously bred animals from the ranks of "untapped material" including Marisco, a bay colt by Habitat out of Grundy's dam, Word from Lundy.

For many the most absorbing race of the day will be the Earl of Sefton Stakes in which last year's disapopinting Derby favourite, Ela-Mana-Mou makes his seasonal debut.

This Pitcairn colt, who moved from Guy Harwood's Pulborough stable to West Ilsley after being bought by Simon Weinstock in December, was at his most formidable early last season, and in the Heath Stakes earned market position for the Blue Riband.

Although Ela-Mana-Mou never quite fulfilled his supporter's early expectations, he put up some smart efforts, notably when making all the running to dispose of Man of Vision and Hardgreen in Ascot's King Edward VII Stakes.

If, as reports suggests, the rangey bay is ready to do himself justice, he will probably outpace Cracaval.

A greater threat could well come from last year's Wood Ditton and Britannia Stakes winner, Welsh Chanter, of whom we have not yet seen the best.

Although Marisco, a bay son of the ill-fated Wod from Lundy, is expected to go well in the Wood Ditton Stakes—as is the High Top colt, Maintop—I intend taking a chance with Chevington. This colt by Moulton out of Joey has been working encouragingly for Harry Wragg.

The Tote Free Handicap appears as open as ever, but one might do worse than consider Cyprus Sky and Moorestyle. The former was staying on well when a two-lengths runner-up to Poyle Crusher in Salisbury's 2,000 Guineas trial stakes, and has been backed for this afternoon's event by a number of usually shrewd punters.

Moorestyle, a bay colt by Manacle out of Guiding Star, impressed me when getting up to beat Northern Eclipse in the Doncaster Stakes, and seems certain to give Lester Piggott another fine ride.

NEWMARKET

2.00—Sybaris
2.30—Ela-Mana-Mou **
3.00—Moorestyle
3.30—Gypsy Dancer
4.05—Chevington ***
4.35—Aleos *

TV Radio

BBC 1

†Indicates programme in black and white

6.40-7.55 am Open University (uhf only). 12.45 pm Midday News. 1.00 Pebble Mill at One. 1.45 Heads and Tails. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 The Space Sentinels. 4.40 Wildtrack. 5.05 John Craven's Newsround. 5.10 Potter's Picture Palace.

5.40 Evening News.
5.55 Nationwide (London and South East).
6.20 Nationwide.
6.50 Young Musician of the Year: Final of piano class.
7.25 The Wednesday Film: "Swan Song" with David Soul.
9.00 Nine O'Clock News.
9.25 The Risk Business: The sugar cane industry.
10.00 Sportsnight: Soccer and Boxing.
11.13 News Headlines/Regional News.
11.15 The Great Event.

All Regional programmes as BBC-1 except as follows:

CYMRU/WALES — 5.55-6.20 pm Wales Today. 6.20-6.50 Heddiw. 11.45 News and Weather for Wales.

SCOTLAND — 12.40-12.45 pm Scottish News. 5.55-6.20 Reporting Scotland. 10.50-11.20 Is Anybody There? 11.20 pm News and Weather for Scotland.

NORTHERN IRELAND—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.45 pm News and Weather for Northern Ireland.

ENGLAND—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Newcastle); Look North-west (Manchester); Midlands Today (Birmingham); Nationwide (London and South East); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University.
10.20 Gharbar.
11.00 Play School.
4.30 pm Open University.
6.55 Much Ado About Shakespeare: A day at Stratford-upon-Avon.
7.25 Mid-Evening News.
7.35 Chronicle: Excavations at Bath.
8.25 Arena.
9.00 Midweek Movie: "A Star is Born" starring Janet Gaynor and Frederic March.
10.50 Newsnight.
11.30 Grapevine.
12.00 am Closedown: "Going Wrong" by J. C. Hall.

LONDON

9.30 am Dry Australia. 9.50 Who's Afraid of Opera? 10.15 The Coral World: Off the coast of Australia. 11.05 Young Ramsay. 11.55 The Bubblies. 12.00 pm Cloppa Castle. 12.10 Rainbow. 12.30 Camera. 1.00 News at One. 1.20 Thames News. 1.30 Take the High Road. 2.00 After Noon Plus. 2.25 Midweek Racing from Newmarket. 3.45 Square One. 4.15 Michael Bentine's Potty Time. 4.45 Noah's Castle. 5.15 Struck by Lightning.

5.45 News.
6.00 Thames News.
6.25 Help!
6.35 Crossroads.
7.00 This Is Your Life.
7.30 Coronation Street.
8.00 The Benny Hill Show.
9.00 Whicker's World — California.
10.00 News At Ten.
10.30 Whicker's World (continued).
11.30 Wheels.
12.00 am Thames Arts.
12.15 Close: Robert Rietty with readings for Passover.

All ITV regions as London except at the following times:

ANGLIA

8.25 am Witness to Yesterday. 9.50 Chopper Squad. 10.40 Sailorman. 11.05 Stars On Ice. 11.30 River for the Rich. 1.25 pm Anglia News. 2.00 Houseparty. 5.15 Sammy Miller. 6.00 About Anglia. 12.00 Police Surgeon. 12.30 am The Big Question.

ATV

8.30 am Bailey's Bird. 8.55 Afloat. 10.20 Mr. Jakob's Gentlemen. 10.45 The Wild, Wild World of Animals. 11.20 Fireside Theatre. 1.20 pm ATV Newsdesk. 5.15 Selwyn. 11.30 ATV Newsdesk.

BORDER

8.30 am Untamed World. 10.00 Cartoon Time. †10.05 Morning Film: Two Way Stretch. 11.30 River for the Rich. 1.20 pm Border News. 2.00 Houseparty. 5.15 Happy Days. 6.00 Lookaround Wednesday. 10.00 News and Border Weather. 12.00 Police Surgeon. 12.30 am Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News, What's on Where, and Weather. 5.32 Puffin's Birthday Greetings. 5.15 Makin' It. 6.00 Channel News. 6.10 Link Up. 10.28 Channel Late News. 11.30 Mannix: Climb A Deadly Mountain. 12.25 am News and Weather in French, followed by Epilogue.

GRAMPIAN

8.25 am First Thing. 8.30 The Beachcombers. 8.55 Search for the Persian Royal Road. 10.40 George Hamilton IV. 11.05 Bailey's Bird. 11.30 River for the Rich. 1.20 pm North News. 5.15 Happy Days. 5.40 Police News. 6.00 North Tonight and area weather. 12.00 am Reflections. 12.05 Sammy Miller. 12.30 North Headlines.

GRANADA

9.30 am Sesame Street. 10.30 Wednesday Matinee. 1.20 pm Granada Reports. 2.00 Live From Two. 5.15 Mork and Mindy. 6.00 Granada Reports. 6.30 This Is Your Right. 12.00 am The Odd Couple.

HTV

8.30 am Kum Kum. 0.55 The Wrong Arm of the Law. 11.30 River for the Rich. 1.20 pm Report West Headlines. 5.15 Dick Tracy. 5.20 Crossroads. 6.00 Report West. 6.30 Youth Makes Music. 10.00 News, followed by Report West Headlines. 11.30 Celebrity Concert.

HTV Cymru/Wales—As HTV West/HTV General Service except: 11.55 am-12.10 pm Ffalabalam. 1.20 Penawdau Newyddion Y Dydd. 1.25 Report Wales Headlines. 4.45 Ni A Nhw. 5.00 Y Dydd. 6.15 Report Wales. 6.30 Jukes of Piccadilly. 10.00 News, followed by Report Wales Headlines. 11.30-12.40 am The 1980 Academy Awards.

SCOTTISH

9.30 am Talk of the Devil. 9.55 Feature Film: "Only When I Larf." 11.30 River of the Rich. 1.30 pm Take My Wife. 5.15 Tales of Crime. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Emmerdale Farm. 10.00 News and Scottish News Headlines. 11.30 Late Call. 11.35 Music From Harewood. 12.05 am Police Surgeon.

SOUTHERN

9.30 am Action Coastguard. 9.55 The Rolf Harris Show. 10.20 Lionel Hudson Documentary. 1.20 pm Southern News. 2.00 Houseparty. 5.15 Dick Tracy Cartoon. 5.20 Crossroads. 6.00 Day by Day. 6.35 Scene Midweek. 11.30 Southern News Extra. 12.05 am Weather, followed by A Reel Over Your Head.

TYNE TEES

9.20 am The Good Word, followed by North East News Headlines. 9.30 Mystery Island. 9.45 Flower Stories. †9.55 Morning Movie: "Quartet." 11.30 River for the Rich. 1.20 pm North East News and Where The Jobs Are. 5.15 Bailey's Bird. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 11.30 North East News. 11.35 Power Without Glory. 12.35 am Epilogue.

ULSTER

10.20 am Chopper Squad. 11.10 George Hamilton IV. 11.35 River of the Rich. 1.20 Lunchtime. 4.13 Ulster News Headlines. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 12.00 Bedtime.

WESTWARD

0.25 am Cartoontime. 9.40 Call It Macaroni. †10.05 Feature Film: Crest of the Wave. 11.30 River of the Rich. 1.20 pm Westward News Headlines. 5.12 Gus Honeybun's Birthdays. 5.15 Makin' It. 6.00 Westward Diary. 10.28 Westward Late News. 11.30 Mannix. 12.25 am Faith For Life. 12.30 West Country Weather and Shipping Forecast.

YORKSHIRE

9.30 am Canada: Five Portraits. 10.20 The Thief of Baghdad. 1.20 pm Calendar News. 5.15 pm Survival. 6.00 Calendar (Emley Moor and Belmont editions). 12.00 Sammy Miller.

RADIO 1

(S) Stereophonic broadcast
‡ Medium wave only

5.00 am As Radio 2. 7.00 Steve Wright. 8.00 Simon Bates. 11.31 Peter Powell including 12.30 pm Newsbeat. 2.00 Andy Peebles. 4.31 Kid Jensen including 5.30 Newsbeat. 7.00 Radio 1 Mailbag. 8.00 Jnye Cooper. 8.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Ray Moore (S) including 6.15 Pause for Thought. 7.32 Terry Wogan (S) including 8.27 Racing Bulletin; 8.45 Pause for Thought. 10.03 Jimmy Young (S). 12.03 pm David Hamilton (S) including 1.45 Sports Desk. 2.03 Ed Stewart's Request Show (S) including Horse Racing from Newmarket. 2.45, 3.45 Sports Desk. 4.03 Much More Music (S) including 4.45 Sports Desk. 5.00 News. 5.05 Waggoners' Walk. 5.20 Much More Music (S) including 5.45 Sports Desk. 6.03 John Dunn (S) including 6.45 Sports Desk. 8.02 Listen to the Band (S). 8.45 Alan Dell with Dance Band Days. 9.15 Among Your Souvenirs (S). 9.55 Sports Desk. 10.02 Punch Line. 10.30 Hubert Gregg says Thanks for the Memory. 11.02 Brian Matthew with Round Midnight, including 12.00 Midnight Newsroom. 2.02-5.00 am You and the Night and the Music, with Bill Rennells (S).

RADIO 3

†6.55 am Weather. 7.00 News. 7.05 Your Midweek Choice. Record requests, part 1: Gounod, Tchaikovsky, Poulenc (S). 8.00 News. 8.05 Your Midweek Choice (part 2): J. C. Bach, Palestrina, J. S. Bach, Beethoven (S). 9.00 News. 9.05 This Week's Composer: Ravel (S). 10.00 Music for Organ, by Guilain, Buxtehude, de Grigny, J. S. Bach (S). 10.40 The Lied Before Schubert c.1810 (S). 11.25 Northern Sinfonia Orchestra Concert (part 1): Kodaly, Beethoven (S). 12.25 pm Concert (part 2) Schubert. 1.00 News. 1.05 Concert Hall: Beethoven, Mussorgsky (S). 2.05 Music Weekly (S). 2.55 Violin and Piano Recital: Smetana, Mendelssohn, Korngold, Principe, Schubert, Sgambati, Dvorak (S). 3.30 Youth Orchestras of the World Concert (part 1): Berlioz (S). 4.20 Interval Reading. 4.25 Concert (part 2): Bourgeois. 4.55 News. 5.00 Mainly for Pleasure (S) (medium wave only from 6.30) with Noel Goodwin. 7.00 Building A Library (S). 7.35 The Connoisseurship of Photography. Talk by Mark Haworth-Booth. 8.00 Rozhdestvensky and the BBC SO Concert (part 1): Alwyn, Walton (S). 8.50 Six Continents. 9.10 Concert (part 2): Prokofiev (S). 10.10 Doctors, Patients and Responsibility (talk). 10.30 Dohnanyi plays Beethoven on record (1950). 10.45 Lindsay String Quartet Concert: Hugh Wood, Mozart (S). 11.55-12.00 News.

VHF Only—6.00-7.00 am and 6.20-7.00 pm Open University.

RADIO 4

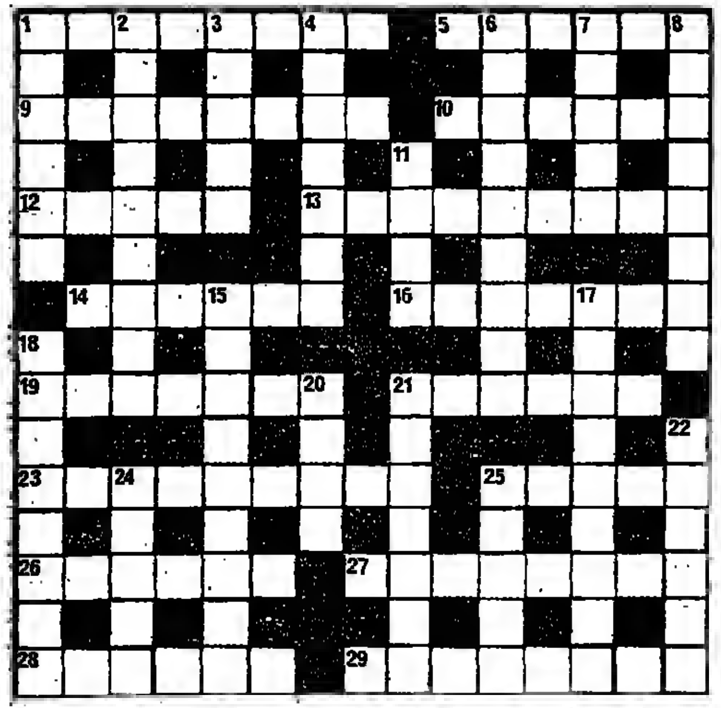
5.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News headlines. 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Mid-Week with Sylvia Syms. 10.00 News. 10.05 Gardeners' Question Time. 10.30 Daily Service. 10.45 Story Time: "The Children of Dynmouth." 11.00 News. 11.05 Baker's Dozen (S). 12.00 News. 12.02 pm You and Yours. 12.27 Just A Minute: Panel game (S). 12.55 Weather. 1.00 The World At One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Listen With Mother. 3.15 Afternoon Theatre: "The Cook," by Margaret Dunn (S). 4.00 Choral Evensong from Wakefield Cathedral (S). 4.45 Short Story: "Michael and Tuesday Evenings." 5.00 PM. 5.50 Shipping forecast. 5.55 Weather. 6.00 The Six O'Clock News. 6.30 My Music (S). 7.00 News. 7.05 The Archers. 7.20 Fat Man on a Bicycle (S). 7.45 Billy In the Darbies: Britten's "Billy Budd" (S). 8.45 File On 4. 9.30 Kaleidoscope. 10.00 The World Tonight. 10.30 Wrinkles: Situation comedy. 11.00 A Book At Bedtime: "The Death of the Heart." 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News and Weather. 12.15-12.23 am Shipping forecast.

VHF—11.00 pm Study On 4: Get By In Spanish. 11.30 Open University. 11.30 Cognitive Psychology. 11.50 Control of Education.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour, including 9.15 In The News. 10.03 The Robbie Vincent Telephone Programme, including 11.00 Nostalgia time. 1.03 pm London Live, including 2.15 Swap Shop. 3.03 John Toogood's Showcase. 4.30 London News Desk. 5.35 Look, Stop, Listen. 7.03 Black Londoners. 8.00 Question Time from the House of Commons. 9.00-5.00 am Join Radio 2.

F.T. CROSSWORD PUZZLE No. 4,251



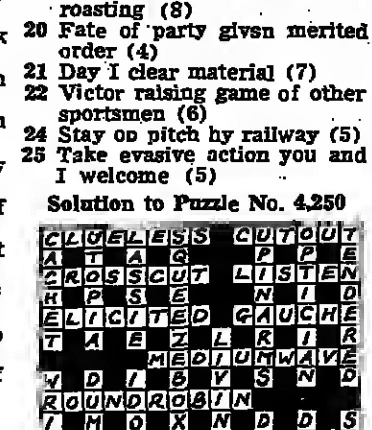
ACROSS

1 Lights on carriage that offer added vision (3-5)
5 Fighting company doctor returning thanks (6)
9 Modify self-esteem of intimate friend (5, 3)
10 Hydrogen rowing crew needs at altitude (6)
12 Flair outside right has for European language (5)
13 Sailor goes to a French hop as plenty (9)
14 Start to join party in opposition (6)
16 Extended play with one hook summary . . . (7)
19 Has made drunk far from proud (7)
21 Very hard way to eastern cathedral (6)
23 Dies only to find pearly gateman's on strike (6, 3)
25 It keeps open door of golf club (5)
26 Seat of majesty soundly cast (5)
27 Girl with inclination to be a historian (8)
28 Boring to study English poet (6)
29 Exhibitionist running out of clothes (8)

DOWN

1 Relative tied in knots (6)
2 Rehearse experience (2, 7)
3 Silver ever turning up to suit (5)
4 Attendant worker takes to display (7)
6 Superior determination giving motorist extra speed (9)
7 Implore one Pole to start (5)
8 Note the revolutionary tied (8)
11 Think of one girl in nina (4)
15 He gave the army a proper belting (3, 6)
17 Treated material that provided fuel for counsel (5, 4)
18 Was concerned about favourite being given a roasting (8)
20 Fate of party given merited order (4)
21 Day I clear material (7)
22 Victor raising game of other sportsmen (6)
24 Stay on pitch by railway (5)
25 Take evasive action you and I welcome (5)

Solution to Puzzle No. 4,250



ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. Credit cards 240 5258. Reservations 836 3161. ENGLISH NATIONAL OPERA. Tonight 7.30: The Barber of Seville. Fri 7.30: Tosca. Sat 7.00: Aida. 104 balcony seats avail from 10 am on day of perf.

COVENT GARDEN. CC. S. 240 1066 (Gardencharge credit cards 836 6903) THE ROYAL OPERA Ton't 7.30: Lucrezia Borgia. Tomor & Tue 7.30: La Fanciulla del West. Fri 7.30: The Rake's Progress. Mon 7.30: Die Zauberflote. THE ROYAL BALLET Sat 7.30: Swan Lake. 65 Amphi. seats avail. for all perfs. from 10 am on day of perf.

SADLER'S WELLS THEATRE. EC1. 837 1672. CC 837 3856-7505. KENT OPERA. Evgs 7.30. Tonight & Fri: The Magic Flute. Tomor: The Turn of the Screw. Sat: La Traviata.

THEATRES

ADELPHI. CC. S. 01-836 7611. Evgs. at 7.30. Sat. 4.00 and 7.45. Mats. Thurs. 3.00. TONY BRITTON, LIZ ROBERTSON, PETER BAYLISS & ANNA NEAGLE in THE WORLD'S GREATEST MUSICAL MY FAIR LADY. NOW BOOKING TO OCT. 1980. For group Bookings ring 01-836 7358 or 01-379 6061.

ALBERY. S. From 9 am. 01-836 3878. CC. 379 6565. Group Bkgs. 836 3962. Evs. 7.45. Mat. Thur. & Sat. 4.0 OLIVER. GEORGE LAYTON, HELEN SHAPIRO. CHILD FREE with each ADULT valid 16 years or under at time of purchase.

ALDWYCH. S. 836 6404. CC. 379 6233. (10-S Sats. and day of perf. 10-4). Info. 836 5332. ROYAL SHAKESPEARE COMPANY Evgs. 7.30. Thur., Sat. mat. 2.00 from Stratford-upon-Avon TWELFTH NIGHT. RSC also at The Warehouse and Piccadilly Theatres.

APOLLO THEATRE. CC. S. 01-437 2663. Group sales 379 6061. LAST WEEK. Evs. 8. Mat. Thur. 3. Sat. 5.30 and 8.30. TIMOTHY WEST as BEECHAM by Caryl Brahms and Ned Sherrin. Directed by Patrick Garland.

APOLLO THEATRE. CC. S. 01-437 2663. Parties 01-379 6061. The highly acclaimed production BEFORE THE PARTY transfers from the Queen's April 21. See Queen's for perfs.

ARTS THEATRE. 01-836 2132. Tom Stoppard's Dirty Linen. Mon.-Thurs. 8.30. Fri. & Sat. 7.00 & 9.15. NOW IN ITS FOURTH YEAR. Lowest-priced best seats in London. Plus 15p temp-member. Special terms for parties.

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CINEMAS

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CLASSIC 1, 2, 3, 4, 5. Oxford St. 01-636 0310 (opp. Tottenham Court Rd. Tube). 1: STARTING OVER (AA). 1.30, 4.00, 6.30, 9.00. TRUCKIN' (AA). 12.50, 3.20, 5.50, 8.20. 2: Bette Midler THE ROSE (X) in Dolby Stereo. Progs. 2.00, 5.00, 8.00. 3: FINAL DAY! Steve McQueen TOM HORN (AA). 1.30, 3.55, 6.20, 8.50. DISCOMANIA (A). 12.50, 3.15, 5.40, 8.10. 4: NORTH SEA HIJACK (A). Progs. 1.00, 3.30, 6.00, 8.35. 5: THE LORD OF THE RINGS (A). Sep. Perfs. 2.00, 5.00, 8.00.

CLASSIC. Leicester Square. 01-930 6915. Oliver Reed THE BROOD (X). 1.05 (not Sun.), 3.45, 6.20, 9.00. CRUEL PASSION (X). 12.05 (not Sun.), 2.40, 5.20, 8.00.

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Television

Drama—honest and half-baked

by CHRIS DUNKLEY

The fuss over Antony Thomas' *Death of a Princess* has been force fed so vigorously that, as with *Yesterday's Men* and *Days of Hope*, it has grown big enough to obscure the programme itself. Public discussion is concerned with newspaper rumours about Arab trade embargoes, sensational stories about diplomatic rows, fantasies about multi-million-pound bribes, and of course claims about outraged Saudi reactions.

All of which is a little unfortunate for Thomas, and for ATV, who had the guts to show it, since *Death of a Princess* was, in the end, an unusually impressive piece of work. I say "in the end" because there were moments along the way when one wondered impatiently why Thomas bothered to present various versions of the story if he was going to discard them so promptly. But eventually his reasoning became clear: that the surrounding of the central event itself with so much mystery, so many different rumours which were found so credible by so many observers of Saudi Arabia, tells as much about that society as do the appallingly barbaric executions at the centre of the whole business.

Evidently nobody seeks to deny the occurrence of the executions nor to justify them beyond pointing to ancient Islamic and tribal laws as though this somehow made them right (rather like invoking the Star Chamber in modern Britain) and Thomas presented his re-creation in the most tactful and inoffensive manner, keeping the whole affair in long shot and never showing the actual executions. So the "offence" claimed as a result of the programme seems to be much like Caliban's when coming across a mirror.

The most striking aspect of the work and the most valuable in terms of the development of television technique was the honesty implicit in its approach. Thomas could have followed established practice and made his investigation, shot his film with or without a reporter, selected fractions of it for broadcasting, spliced them together in their most effective order, and called the result The Truth or at worst "an objective report" when it would actually have been a personal selection of fragments of one aspect of what might have been the truth.

Few commentators would have batted an eyelid at that, whereas they evince deep disturbance at Thomas's use of dramatisation. Yet it is, pretty clearly, his intention—of showing up a practice, or at any rate one event in its true light however internationally embarrassing—which really causes the worry. If the *ostensible* belief in the sanctity of ultimate truth was really the concern then the same commentators would be forever correcting the history of Richard III, The Alamo and so on.

Presumably they would even take Simon Gray to task for *The Rear Column*, his stage play which was mounted for BBC2 on Sunday under the unremarkable direction of Harold Pinter. The baffling thing about this account of the men Stanley left at Yambuya when he marched to relieve Emin Pasha is not that it injects un-historical drama into actual events, but that on the contrary it leaves half the real drama out: Tippu-Tib's men smashing the canoes, deaths from small pox and dysentery, Rose Troup being sent home "in a terrible condition of debility," Ward going down river to telegraph messages to England, all were left out.

Had this been for the sake of creating a powerful drama of character from the relationships among the five men in artificial isolation—a well-tried idea, after all—one could have understood. But in fact the play is full of longueurs. Nor does it offer any startlingly original suggestions about the central mystery of Barttelot's insistence on staying put instead of following the main party as Stanley had instructed. The subject certainly seems to offer ideal dramatic ingredients but the result was half baked.

Even then, however, it was more palatable than the other play on BBC1 last week. *Not For The Likes Of Us* was one of the most telling yet (if indigestible) of the numerous pieces of evidence showing what can happen when different sections of the mass media start swallowing one another's propaganda. The play concerned one of those now all-too-familiar paragons of all the human virtues: long-suffering, hard-working (two jobs, daytime in a shop and nights in a cinema) deeply-caring about others, sensitive and, of course, female.

Fat Connie's husband in this play by Gilly Fraser was, how did you guess, an unfeeling layabout unable to summon the energy to glance away from the televised soccer as his saintly wife left for work, although she was full of profound feminine folk wisdom expressed in such sublime lines as "Bloody men" and "'e gets very passionate—about Brian Clough."

This sort of whining "sexist" propaganda is accepted and broadcast in large quantities by television not, I believe, because it is thought to larly widely in society at large represent views held particularly widely in society at large but because other sections of the mass media encourage similar outpourings. Hence an unhealthy symbiosis develops in which one medium justifies the continuation of a particular kind of work not from public admiration but from the appearance of similar work in another medium. When a medium as highly regarded as Radio 3 broadcasts (in *Women In Parliament*) a claim such as "Women tend to want to be constructive" it gives respectability to the rule now widespread in other mass media that nowadays you may make fatuous genalisations about women so long as they are flattering, and ludicrous generalisations about men so long as they are contemptuous, but never vice versa.

Still, the spectre of low ratings can sometimes save the male audience from the depredations of the feminists. Although the latest addition to the already overcrowded and deeply boring ranks of police series centres on a woman, London Weekend Television did not dare to go the whole hog and make her look like the back of a bus as Rule 2 of the women's movement would demand. Instead *The Gentle Touch* stars Jill Gascoine, so that there is some pleasure to be had, whatever the quality of the scripts, and that, judging from the first, may anyway be fairly high if a little heavy handed with the police PR.

Barry Foster in The Rear Column

Judging from the first episode of a new batch of another LWT series, *Agony*, which originally managed to extract fun from modern sexual mores, the company would have been well advised to hang on to originator Anna Raeburn, since hers was presumably the wit which came through. The new series without her has settled instead for the same dreadful stew of old gags and canned laughter used in so many other sitcoms: "They've asked me to take over the schizophrenia unit but I'm in two minds about it."

Thank goodness for BBC 2's *Not The Nine O'Clock News* which, after a promising but slightly uneven first series, has hit its stride now and is confidently turning out Britain's best and brightest topical television comedy for years. Much of the time its target, quite rightly, is television itself as in this week's item from the Tiny Minorities Unit on "stouts" ("It's a scandal, police break into stouts snack bars and giggle"). Moreover the outstanding talents of Rowan Atkinson in the first series are now being matched by Pamela Stephenson who this week added a superbly awful Janet Street Porter to her regular uncanny Rippon ripoff.

Unless future episodes of Thames Television's *The English Garden* are a huge improvement on the first one which was bitty, confusing and sometimes downright uninformative (through no fault of presenter John Gielgud) anyone looking forward to it as I was would be well advised to invest in the book of the same name by Laurence Fleming and Alan Gore. Though the pictures in the book don't move, you can at least study them for as long as you like, and in the case of the many paintings there is no clever-dick director or cameraman thinking he can do better than the original artist and masking off half the work or panning around from one little bit to another. At £9.50 its cost is equivalent to a colour television licence fee for 15 weeks, but for a heavily illustrated book that is cheap these days.

St. John's, Smith Square

Lindsay Quartet

by DAVID MURRAY

Hugh Wood's Quartet No. 3, played by the Lindsay String Quartet in their BBC lunchtime concert on Monday, deserves the concentration they brought to it. (The concert can be heard again on Radio 3 at 10.45 tonight.) Its very fabric is tailored to their special strengths—the lean, calculated attack, the decisive contrasts of colour and texture, the flashes of sharp sweetness. For all Wood's fervent loyalty to the classical tradition, the structure of the Quartet—a sequence of well-defined sections, some quite directly recapitulated in new contexts where they carry a new weight—is essentially romantic something like an Expressionist version of a Schumann piano-cycle (or like Schoenberg's Trio). Its success therefore requires precise dramatic intelligence from its performers, just such as the Lindsay can offer.

It made a gripping experience, and one of satisfyingly articulate intensity. Wood's material is strong enough to shoulder its echoes of Janacek and the Berg of the Lyric Suite and *Lulu* gracefully; the manner of its realisation for the medium is not more "advanced" than theirs, but it sounds freshly cogent as well as beautiful. In this high-definition performance, the music was brought cumulatively to a fine, fraught glow.

Joined by Simon Rowland-Jones's viola, the Lindsay also played Mozart's C major Quintet, K. 515. They set out its noble proportions with conviction, if not with faultless propriety in details. The turns that stud the melodic line of the opening Allegro were inclined to be flaccid, but the sheer span of the movement was excellently displayed. There were traces of extra sweetening in the Menuetto, and the Andante suffered slightly from the Lindsay ambition to make it a heartfelt Romantic statement. (There are two matching florid climaxes in it which Mozart cuts at once with a bar of even, temperate *piano*: each time, the Lindsay stretched the climax straight through it.) The purposefulness of all the playing was worth a great deal.

Purcell Room

Voytek Matushevski

Though he is Polish, Mr. Matushevski's forte cannot possibly be Chopin, for his reckless fortissimo on Monday certainly wasn't. It is rare that one hears Chopin attacked with such hamfisted brutality. Of the 24 Preludes (and the extra C-sharp minor one), the really quick ones were beyond Matushevski's control in every technical respect, and the gentle ones leaden beyond belief. What was perhaps most baffling — apart from the mystery of what moved him to address himself to this music — was his short-breathed pedalling, which made his sledgehammer touch still more aridly grim.

There and later in Skryabin, the op. 32 *Poèmes* and the *Poème satanique*, the pedalling was sometimes so inept as to suggest that his right foot was programmed for some quite different piece. The "Satanic Poem," probably more laden with pitfalls for the executant than any other Skryabin piece, eventually declined into pure personal fantasy, with a wild new glissando at the end. As in Glazunov's B-flat minor Sonata —in principle a deserving minor revival—there were passages in which not one crashing left-hand octave in three was right. Matushevski has some right-hand fluency, but where he could bring it into play (the scherzando Glazunov finale, for example) he also, sooner or later, lost all sight of the beat, and the music juddered apart. A truly appalling recital.

DAVID MURRAY

St. John's, Smith Square

European Youth Orchestra

The European Community Youth Chamber Orchestra is a vigorous offshoot of the European Community Youth Orchestra, already well known in London from impressive concerts under its musical director, Claudio Abbado. The Chamber Orchestra is a new venture, formed at the instigation of the players themselves, and playing together for the first time only 10 days ago. Its visit to St. John's on Monday evening was mid-way through a short tour of Great Britain, on which it is conducted by James Judd.

Already Mr. Judd has welded the national differences (eight countries of the EEC are represented) into a responsive, unanimous unit. If the results were occasionally hard-driven, that is a legitimate way of achieving satisfying interpretations given crack players yet limited rehearsal time. But I suspect Mr. Judd favours a bustling, dynamic approach; his platform manner suggests it and his experience as assistant to Lorin Maazel with the Cleveland Orchestra has left its mark.

Certainly Haydn's Symphony No. 83 was hurried along, its power given full emphasis, yet its charm and impudence were consequently neglected. Bartok's Divertimento would have been worthy of many an established chamber band. Only the rarest raggedness (so rare as to be churlish to mention) betrayed the lack of extended preparation and through that, perhaps, of corporate identity, but the central Adagio was a profoundly sustained piece of string playing, pianissimo tone pure and true.

Throughout the tour also, Stephen Bishop-Kovacevich is playing Beethoven's second piano concerto with the orchestra. If he is able to sustain the quality of performance he produced on Monday it will be a remarkable feat. There is a group of works—concertos and sonatas—that finds in Mr. Bishop-Kovacevich a quite special vein of truthfulness; the B flat concerto is one of them. When fingers respond precisely to what is demanded of them and ideas are crystallised intact, he seems a very considerable pianist indeed.

ANDREW CLEMENTS

Shaw

The Volunteer

by B. A. YOUNG

The National Youth Theatre is back with another play on its favourite subject, delinquent boys. The boys in Michael Arditti's *The Volunteer* are no good lads at heart. They are detained in an Assessment Centre, where boys who are taken into care are examined to find out whether they may go home again, or, if they may not, what kind of institution they should be sent to.

It is impossible to write about a place of this kind without provoking a measure of sympathy, but Mr. Arditti's sympathy is directed principally at Martin, a Community Service Volunteer, something the author has been in his time. Martin believes that by exercising kindness and understanding he will be such a good influence on the boys that they will see where they have gone wrong and resolve to do better in the future.

But his conduct would bring certain disaster to any organisation depending on discipline. He makes promises he can't keep; he speaks disloyally of his colleagues; worst of all, he takes a favourite. His first liberal exploit, an art class, ends in a fight and a mass escape. As for little David, the whining, fawning favourite, he proves more deceitful than deserving; and as (like many young people) he deceives himself as much as anyone, he is so disappointed with the failure of his hopes that he hangs himself in the loo. At the end of his attachment, Martin leaves to the universal contempt of the boys, who are quite contented with the shouting and bullying of Eric, an older and more experienced officer.

This is Mr. Arditti's first play, and there is too much of himself in it, and too little art. His portrait gallery of rough teenagers is very tame after the gang Nigel Williams showed us, for instance, and I felt that the author had not penetrated their minds any deeper than Martin. Or perhaps he was holding back from some sense of courtesy. The NYT's boys, an unusually juvenile lot, play them well enough; Michael Croft, the director, is adept at extracting from such players the single dominant quality each character is equipped with.

Martin is convincingly done by John Elmes, now at Cambridge (Martin was just down from Oxford); Eric by Peter Lennon; and Joan, the third and most worthy, though least developed, member of the staff, admirably by Jane Wilkinson.

Leonard Burt

Anthony Reynolds, Colin Dayan and Antony Howes in The Volunteer

Bubble Theatre summer season

The Bubble Theatre, London's fully mobile theatre, will take to the road again at the beginning of June. From June 3-14 Ravenscourt Park in Hammersmith will play host to the two familiar bright yellow domes of its travelling structure for the opening fortnight of the 14-week summer season.

The repertoire will include They Shoot Horses, Don't They? by Ray Herman from the novel by Horace McCoy; A Knight at the Bubble by Rony Robinson, loosely based on Francis Beaumont's comedy "The Knight of the Burning Pestle"; Big Shot, the Rise and Rise of Catgut Leone by Paul Allen, for 7-11-year-olds; Mario's Magnificent Marvels, or Dastardly Deeds at the Bubble, by Philip Whitchurch, for 4-7-year-olds; and Three Days and a Porridge by Philip Whitchurch, for older children and adults.

Government aid for theatres

The Government, in the form of Mr. Norman St. John Stevas, the Minister for the Arts, handed over a cheque for £15,000 yesterday to Lord Goodman, chairman of the Theatres Trust. Mr. St. John Stevas was reluctant to disclose how he had managed to extract this extra money for the arts in a time of economic stringency but he hoped that such Government aid for the Trust would become an annual event.

The Theatre's Trust was set up in 1976 following an act of Parliament pushed through by Mr. David Crouch in a Private Members Bill. The Trust is designed to raise money to save theatres threatened by extinction. Until now its activity has been limited by a lack of cash but the new infusion should enable it to take a more active role in fighting for theatres. It is already busily involved in preserving the Grand in Wolverhampton.

The Trust has the right to comment upon any planning proposal under consideration by a local authority which involves a theatre, and although short of cash it has been able to date to postpone a decision on major developments on a site adjacent to a prominent West End theatre, and by bringing in the Arts Council, has saved a major touring theatre in a provincial city from being turned into a bingo hall. It has also assisted theatres which have reopened in towns in Devon, Hampshire and Kent. So far it has had mainly a lobbying role; more cash should enable it to be practically involved.

Mr. St John Stevas said yesterday: "The loss of a single theatre is to be deplored." He hoped that the National Heritage Fund, whose first chairman will be announced today, will consider theatres to be part of its brief, perhaps investing some of the revenue it receives in lieu of death duties to preserve threatened theatres for live entertainment.

ANTONY THORNCROFT

COMPANY NOTICES

BANK LEUMI LE-ISRAEL B.M.

NOTICE TO THE HOLDERS OF U.S.$10,000,000 7 PER CENT.
GUARANTEED CONVERTIBLE BONDS 1984
(CONVERTIBLE INTO ORDINARY SHARES OF IL 1 EACH OF
BANK LEUMI LE-ISRAEL B.M.) OF
LEUMI INTERNATIONAL INVESTMENTS N.V.

Notice is hereby given to the Holders of the above Bonds that Bank Leumi le-Israel B.M. ("the Bank") is making an issue of:—

290,792,440 Registered Ordinary Shares of IL 1 each and of a series of 157,237,732 Warrants (Series 5) ("Warrants"). Each Warrant confers the right to subscribe during the period from 1st November, 1980 to 31st May, 1981 one Registered Ordinary Share of IL 1 (subject to adjustment) in consideration of the payment in cash of the subscription price of IL 2.70.

The 290,792,440 Registered Ordinary Shares together with 87,237,732 of the Warrants are being offered by way of rights to the Ordinary Stockholders of the Bank and holders of outstanding securities carrying conversion/subscription rights into Ordinary Shares of the Bank in 29,079,244 Units. Each Unit comprises 10 Ordinary Shares and 3 Warrants.

Holders of the above Bonds are entitled to subscribe 1 Unit for every U.S.$16.53 nominal of Bonds. Price to those entitled to rights—IL 44 per Unit (components IL 3.50 per Share and IL 0 per Warrant) payable in full on acceptance not later than 12.30 p.m. on 16th May, 1980.

The Bank has applied to the Tel Aviv Stock Exchange for the listing of the Ordinary Shares and Warrant comprised in the Units as from 19th May, 1980, and of the Ordinary Shares to be allotted upon the exercise of the subscription rights attached to the Warrants and the said Stock Exchange has given agreement in principle thereto.

The Bank will apply to the Council of The Stock Exchange in London for listing thereon of the Ordinary Shares comprised in the Units. The Bank will not apply for listing on The Stock Exchange in London of the Warrants but will apply in due course for listing of the Ordinary Shares to be issued upon exercise of the subscription rights attached to the Warrants.

Holders of the above Bonds who wish to exercise their rights must apply not later than 12.30 p.m. on 16th May, 1980, for copies of the Prospectus and Application Forms presenting Talon No. 2 (detached from their Bonds) with their applications to either of the following Paying and Conversion Agents:—

Bank Leumi le-Israel,
(France) S.A.,
30 Boulevard des Italiens,
75009 Paris.

Bank Leumi le-Israel,
(Switzerland),
34 Claridenstrasse
CH-8022 Zurich.

The rights are offered solely pursuant to and in accordance with the provisions of the Prospectus, this Notice and the Application Forms which last must be duly completed and returned in accordance with the instructions printed on such Forms.

The Units and the Ordinary Shares and Warrants comprised therein have not been registered under the Securities Act of 1933 of the United States of America and are not being offered in the United States of America or its territories and areas subject to its jurisdiction or to citizens or residents of the United States of America and accordingly copies of the Prospectus and Application Forms will not be sent to addresses in the United States of America or such territories or areas.

Rights to subscribe Units may be bought and sold on the Tel Aviv Stock Exchange through banks and securities brokers, members of the said Stock Exchange, on 14th and 15th May, 1980, and any Bondholder wishing so to deal may do so by requesting either of the Paying and Conversion Agents mentioned above to make arrangements on his behalf. Application Forms and subscription monies will not be acknowledged but certificates for the Ordinary Stock into which the Shares forming part of the Units will be converted will be issued not later than 31st July, 1980, and certificates for the Warrants will be issued not later than 31st October, 1980. Any Bondholder wishing to deal in the Ordinary Shares or the Warrants pending receipt of such certificates may do so by requesting either of the Paying and Conversion Agents to make arrangements on his behalf.

The new Ordinary Shares comprised in the Units will not rank for any dividends declared in respect of the financial year of the Bank ended 31st December, 1979, for any interim dividend to be paid on account of 1980, the record date of which falls before 1st November, 1980, or for the distribution of capitalisation shares to be submitted for the approval of the Extraordinary General Meeting of the Bank to be held on 30th April, 1980, but will rank pari passu in all other respects with the existing Ordinary Stock.

The Conversion Price of the Bonds will not be adjusted by the reason of the Rights Issue whether or not the rights are taken up. Subject to market conditions, the Bank will, between 19th May, 1980, and 1st June, 1980, sell securities comprised in the Units the rights to which have not been exercised, provided such a sale (which will be effected in Israel pounds) will produce an amount of net consideration for distribution (after deduction of a sum equal to the subscription price of the said Units and the expenses of sale at the rate of 1 per cent of the consideration). Such net consideration will be distributed proportionately among the persons who were entitled to the unexercised rights. If any such amounts become available for distribution to holders of the above Bonds they will receive the equivalent in U.S. Dollars at the representative rate of exchange as published by the Bank of Israel prevailing in respect of 2nd June, 1980. Holders of the above Bonds who do not exercise their rights may obtain the amounts due to them by depositing Talon No. 2 with either of the Paying and Conversion Agents mentioned above after 1st June, 1980.

Holders of the above Bonds are reminded that they have the right to convert their Bonds into Ordinary Shares at any time up to and including 30th June, 1980, and thereafter during the period from and including 1st November in each calendar year up to and including 30th June in the next calendar year up to and including 30th June, 1984. As Ordinary Shares arising on conversion will not entitle holders to participate in the Rights Issue holders of the above Bonds who propose both to take up their rights and to convert their Bonds in the period to 30th June, 1980, should arrange to take up their rights before they convert.

16th April, 1980.

DEHRADUN TEA COMPANY LIMITED
EAST HOPETOWN ESTATE COMPANY LIMITED

APPLICATION FOR DUPLICATE SHARE CERTIFICATES

The Trustees of the estate of Percy Lionel Jackson deceased are applying to the above companies for duplicates of the following share certificates:

Dehradun Tea Company Limited
(holding 219 100 rupee shares)
1555-1664, 1645-1654, 1570-1574,
5795-5804, 5805-5809, 1665-1674,
8763-8772, 411- 450, 4201-4210,
8559-8568, 8499-8508, 526- 530,
1895-1904, 1905-1914, 1935-1944,
1945-1954, 1955-1964, 1965-1974,
1975-1984, 6705-6709, 7393-7402,
6887-6888, 8402-8406, 8579-8588,
8727-8728, 7623-7632.
East Hopetown Estate Company Limited
(holding 178 100 rupee shares)
372- 376, 2404-2448, 231- 235,
354- 360, 455- 480, 437- 440,
2334-2403, 2449-2460.

16th April, 1980.

CONFERENCE

MULTIPLE CRITERIA DECISION MAKING

will be held on 9th May, 1980 at The Administrative Staff College, Henley. Please contact The Institute of Mathematics and its Applications, Maitland House, Warrior Square, Southend-on-Sea, Essex.

Tel: 0702 612177

PERSONAL

TRAVEL

PUBLIC NOTICES

WALSALL METROPOLITAN BOROUGH BILLS

£7,000,000 Bills issued 16th April, 1980 due 16th July, 1980 at the rate of 16⅟₁₆%. Applications totalled £54,500,000. These are the only Bills outstanding.

BOROUGH OF LUTON

£700,000 Bills issued today due 16.7.80 at 16.3/64%. Total appns. £7.7m. Total o/s £700,000.

RESIDENTIAL PROPERTY

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871, 883897
Telephone: 01-248 8000
Wednesday April 16 1980

Turning plans into reality

EXPECTATIONS ARE a vital factor in the success of any monetary policy against inflation. This is why the Chancellor decided to defy strong opposition from many of his official advisers and provided a "hostage to fortune" by publishing a medium term financial plan in last month's Budget.

However, as the details of the financial plan have been subjected to careful analysis, doubts about the Government's intentions have been replaced by scepticism about the possibility of reaching its goals by the route it has chosen. The projections of public spending, revenues and borrowing set out in the Treasury documents which appeared on Budget day provided no more than a sketchy, and, in some ways, unconvincing, outline of the route to be followed. Monday's appearance by the Chancellor and his senior officials before the Commons treasury committee gave no evidence that the Government itself has a clearer may which shows exactly how it can reach its destination.

Projections

Doubts about the financial strategy centre on the projections of public spending over the next four years. At the heart of the public spending plans is the prediction of an immense reduction in the financial requirements of the nationalised industries. The Treasury Committe spent much of its time on Monday in trying to elicit a detailed explanation of the nationalised industries' newly-expected prosperity. The Government's answers were not entirely convincing.

The nationalised industries' net financial requirement of £2.3bn in 1979-80 is to be transformed into a net repayment of £400m (at 1979 prices) by 1983-84: leading to a net reduction of £2.7bn in public spending. This compares with a total reduction of £2.8bn in the public expenditure total and is thus absolutely crucial to the Government's spending plans. But the Chancellor was vague about how this remarkable financial turnround would be achieved. He stated that about two-fifths of the improvement would come from the "elimination or rduction of losses" in coal, steel, shipbuilding and railways; and that about a quarter would result from the "elimination of underpricing" of electricity and gas, leaving 35 per cent to be raised from the other industries.

Without further justification, these figures do not appear credible. On current accounting definitions, the total losses of the coal, steel, shipbuilding and rail corporations in 1979-80 are unlikely to exceed about £500m. Thus even the total elimination of these losses could not produce the improvement of £1.1bn which the Chancellor apparently expects. The Chancellor may be thinking in terms of abolishing subsidies to the coal industry, currently running at over £250m and British Rail's passenger support grant of £391m, but no announcements have been made about any such plans. Cancellation of passenger support would lead to the decimation of the present rail network. The coal industry could dispense with subsidies by 1983-84 only on the assumption of sharp rises in energy prices and improvements in mining productivity more rapid than anything which has been expected so far.

The improvements in the other industries' finances are more plausible, since substantial real increases in gas and electricity prices have already been announced. The "miscellaneous" group of industries, which is expected to contribute about £950m, includes the Post Office, whose financial requirements last year were artificially boosted by around £360m as a result of the billing dispute. More importantly, it includes BNOC, whose profits are expected to rise vastly by 1983-1984.

Unpalatable

Indeed the profits of BNOC could well make up for any shortfall in the other industries' performance. There is a curious analogy here with the broader impact of oil on the Government's finances. While the Government's estimates of public spending appear to have been over-optimistic, the forecasts of oil revenues are very cautious. Thus oil may well justify the Government's predictions about borrowing the monetary growth, even if both the revenue an dexpenditure projections individually prove to be wide of the mark. Stressing the importance of oil to the financial strategy is clearly unpalatable politically But the Chancellor will only succeed in encouraging the favourable expectations that he needs to make his policy work by bringing out clearly the realities behind his plans.

Supervising banks abroad

THE COMMUNIQUE from the central bank Governors on surveillance of the international banking market is most timely. Those who remember how the unaccustomed volatility and excitement of the foreign exchange markets led to the fall of Herstatt Bank and the near-collapse of the Franklin National Bank have been keeping their fingers crossed in recent weeks. Dollar bond prices have dropped dramatically before rebounding. The falls in the prices of silver and gold were almost as striking as the rises which preceded them. All in all there has been ample scope for adventurous banks to get themselves into real trouble.

In 1974, after the Herstatt affair had had its massive impact on the Euro-currency and foreign exchange markets, the central bankers broke new ground by suggesting (somewhat elliptically) that they would act as lender of last resort to the euromarkets and stating that monitoring of the markets should be stepped up. Yesterday's communique is the central bankers' first fresh utterance on the matter of euromarket regulation since that time.

Control

This new communique follows a substantial amount of public and private discussion, so the message from the Governors is not as dramatic or as novel as the one in 1974. Nevertheless, it does tell us how Euro-m rket regulation is developing. The emphasis is very much on the prudential control—on keeping international banking safe—rather than on macro-economic controls aimed at curbing the growth of the international banking market to stop it undermining the monetary soveignty of individual nations.

The most popul r suggestion in the latter direction was for some form of global requirement which would help drive bank deposits back inside national frontiers. This suggestion has been on the back burner for some time: now, it would seem, the burner has been all but turned off. The communique does not even mention reserve requirements. The whole question of the erosion of monetary sovereignty has apparently evaporated in the heat of the tough new monetary policy now being tried in the U.S.

In contrast, the emphasis on assuring the safety of the euromarkets has been re-doubled. The Governors have decided upon a two-pronged approach. First, the "standing Committee on the Euromarkets" has been given a specific job to do. It will report to the central bank Governors on the state and safety of the international bank lending market at least twice a year. This means that the Governors will be reviewing the euromarket every six months: quite a notable development in their involvement in international banking supervision. As recently as 1974 this involvement barely existed.

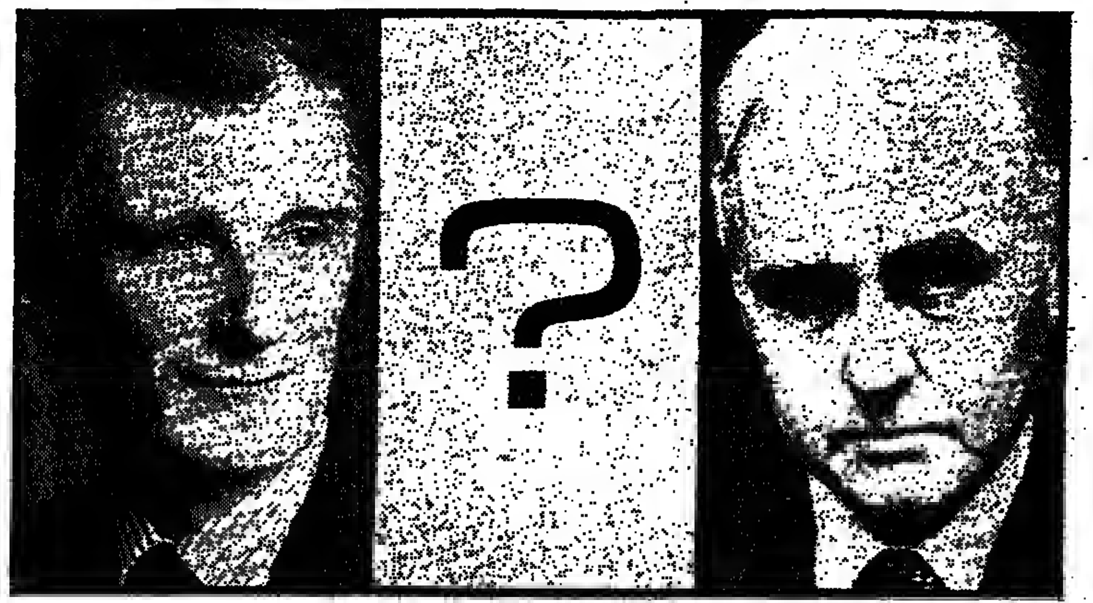
The second prong is the "high priority" which the Governors have placed upon the initiatives of another BIS Committee—the Committee on Banking Regulation and Supervisory Practices—in deciding how domestic banking authorities should police the international businesses of their banks. The emphasis is to be on internationally cosnolidated balance sheets, on improved assessment of each bank's exposure to risky countries, and on monitoring the extent to which banks borrow short term to make long-term loans. There

Discipline

This emphasis on bank supervision begs the question as to what standards should be applied. There l no mention in the communiqué of any attempts to see that the rules applied by one central bank will be consistent with the rules laid down by another. This is a bullet which the central bankers have studiously avoided biting because it involves them in meddling in each other's internal affairs. Yet it seems inevitable that the central banks will have to come up with a sort of banking GATT at some stage. The Bank of England is currently refining and tighten- the rules it applies to banks in the City. It may shortly discover how difficult it is to apply discipline to a global market unilaterally.

Why Sir William has walked out of the Post Office . . .

BY JOHN LLOYD



Mr. Ron Dearing, the new deputy chairman and chairman-designate of Posts and Giro (left) and Sir William Barlow, chairman of the Post Office who has refused to be chairman of British Telecommunications. Who will now get the job?

TO SAY that Sir William Barlow leaves the Post Office because of Government policy towards the nationalised industries in general and the Post Office in particular would be to go too far—but probably not much too far.

He was careful to say yesterday that he had good working relationships with civil servants and Ministers, and with Sir Keith Josephy, the Industry Secretary, in particular. Yet there remains the fact that he has been privately irked by tight financial limits imposed on the corporation by the present Government.

In particular, he believes that the telecommunications business should be given a looser cash rein, and he has been pressing hard to get an extra £150m pumped into telecommunications above the £1.5bn cash limit for this year. Telecommunications, he has maintained, is in a period of strong growth, and on normal business criteria should be invested in strongly. It may be surmised that he has lost this battle, and that defeat has contributed to his decision not to stay on—as the Government wished him to do—as chairman of British Telecommunications when it is hived off from the rump of the Post Office later this yesr.

More generally, he is thought to have felt that the Government's attitude to the public sector has not created a helpful climate. Earlier this month, he succeeded Sir Francis Tombs, chairman of the Electricity Council, as chairman of the Nationalised Industrias' Chairmen Group: one of his major tasks, as he saw it, was to persuade the Government to relax cash limits and to take a more realistic view of their future prospects. It is likely that he felt that the targets contained in the public expenditure plans, of turning the state corporations round from a £2.3bn borrowing last year to making net repayments of £400m by 1983-84, were over-optimistic, and would have to be modified.

All of these feelings, then, are likely to have confirmed his view that he was well advised to move back into the private sector while he still had at lesst a decade—he is now 55—in which to do major work.

What he has achieved in the two and a half years in which he has run the most publicly visible of the country's nationalised industries can be set out as follows:

First, he has fulfilled his pledge, made soon after his appointment, to push more power down the structure and to give his managers more of their head. Though Sir William Ryland had set some of that process in train before his resignation, Barlow went further, stressing the need for responsibility and responsiveness at the lowest levels.

He has also kicked along the two major programmes in the telecommunications businesses—Prestel, the viewdata service, and the introduction of the System X all-electronic exchanges—and encouraged his managers to set Stakhanovite targets which have often been met. Prestel is a long way down the road to being a national system, and that only 18 months after the Prestel team was fully set up. System X was unveailed in Geneva last September, a year ahead of schedule, and the first exchange will come into service at Woodbridge, in Suffolk, in July.

In the postal business, he has seen two years of rising traffic and solid on-target profits. National Girobank—which will form part of the slimmad down Post Office after the split—is likely to have 1 mcustomers by early next year, and is steadily becoming a major force in the banking world.

> We had our disagreements with him, and they were sharp. But . . .he was dead straight.—Secretary General of the Council of P.O. Unions.

These are the satisfactions: as he said yesterday, there remain considerable problems for his successors.

The most obvious, in recent months, has been performance in the postal business. Though deliveries have now improved considerably, the memories of last summer's troubles, which constrainde the corporation to beg customers not to post letters are sill vivid.

The rejection of e national productivity package by the Union of Post Office Workers last month was a bitter blow: Sir William quickly let it be known that postal management would bring in the necessary changes with or without union agreement. That may store up industrial trouble for the future, but the chairman-designate of the Post Office, Mr. Ron Dearing, will have a close ally in the UPW general secretary Mr. Tom Jackson in securing tha necessary changes.

In a remarkable speech to the UPW delegates after they had thrown out the productivity package, Mr. Jackson said: "I have never been more serious, more concerned, more worried about the future than I am at the moment. And some of that is your fault because many of you hava not recognised or had an understanding of the desperately urgent situation in which we as a union find ourselves."

Mr. Jackson had seen Post Office forecasts which show a downturn of 3.5 per cent in postl traffic in the current financial year. He had also seen a report from the University of Sussex, commissioned by the union, which was even more pessimistic about the postal service in the longer term. He has put all of his authority on the line: and there are indications that his members now recognise that he is likely to be right.

Telecommunications still lacks a chairman designate: the current managing director, Mr. Peter Benton, must be e candidate; though he is comparatively young and has been in the post for only two years. M uchmore seriously, however, it faces the probability of being unable to meet its customers' demand for service and quality for precisely the reasons Sir William has identified—lack of adequate finance.

The Government will certainly introduce plans to liberalise the market for subscribers' apparatus—Sir William was not over-concerned about that—but may also allow customers who lease lines from the Post Office to offer services on these lines to third parties, thus cutting deeply into Post Office revenue. Post Office opinion, including Sir William's, has been strongly against this, arguing that it would gravely harm investment.

Finally, Sir William leaves industrial relations generally in a delicate state. The postmen have yet to show how they will jump: tha Post Office Engineers and Post Office Executives are reluctant to take part in wage restructuring; and no-one knows what will become of industrial democracy after the ending of the two-year experiment in January.

Yet Mr. Tony Carter, secretary-general of the Council of Post Office Unions and a veteran negotiator with the corporation paid a tribute last night to Sir William. "We had our disagreements with him, and they were sharp. But I'll be sorry to see him go, and I think most of us will, because he was dead straight." Sir William directness has not won him all he has wished for, but it did liven up the enormous corporation and it has gained him respect.

. . . and how 25 top men rejected his job

BY JOHN ELLIOTT AND ARNOLD KRANSDORFF

THE GOVERNMENT'S decision to appoint a senior Industry Department civil servant to head the country's postal and giro services is the latest example of how difficult it is for Ministers to find suitable candidates who are prepared to become chairmen of nationalised industries. It is also a significant illustration of the increasing willingness of top civil servants to move into industry and forsake their Whitehall careers about 10 years or so before retirement.

At the same time the departure of Sir William Barlow underlines the frustrations that nationalised industry chairmen experience when trying to run their businesses within the cash limits and other restrictions laid down by the Government. These frustrations defer many industrialists from moving into the public sector.

Mr. Ronald Dearing, who is 49, has been the Industry Department's deputy secretary in charge of the Post Office, among other nationalised industries, for four years. He first knew he was a candidate for the postal job last November.

He was the personal choice of Sir William Barlow who at that time was expected to take the parallel chairmanship of British Telecommunications when the Post Office is split in two.

> One man roared with laughter. He ended up on the final list.

Accordingly, Mr. Dearing's name was added to the possible list of candidates by Goddard Kay Rogers and Associates, the London-based headhunters hired to help fill the post.

The Government quite often uses such firms to help fill senior public service positions. Goddard Kay Rogers has previously worked on jobs for British Aerospace, British Shipbuilders, British Rail and the British Transport Docks Board. Another firm, Russell Reynolds, has been trying to find a chairman for the British Steel Corporation.

The specification for the postal job was that the chairman should have the "ability to work well with the trade unions," and that he should be able to "represent the company effectively in dealings with the Government at the highest levels, and also on TV, radio and the Press on subjects affecting the general public."

The assignment took just over four months. Mr. David Kay, who conducted the search, had talks with more than 100 possible candidates and then interviewed the best 32. Most were aged between 45 and 60, and earned up to £70,000 a year. They occupied senior positions in various industries (such as milk and dairies, brewing, banking, motors) as well as in the trade unions and the CBI.

"A lot of people turned it down flat," says Mr. Kay. "The first reaction of many—notably those not in nationalised industries already—was that of nervous amusement. One man roared with laughter. He ended up on the final list." In all 25 of the 32 interviewed withdrew.

Their main reasons were that the £36,000 a year salarywas too low and that they did not like the political uncertainties of the nationalised industries.

Mr. Dearing was eventually chosen from a shortlist of three. Thse other two candidates included the managing director of a major UK engineering company owned by a North American group, and the managing director of a major British public company in manufacturing.

But before the final choice was made and cleared with the Prime Minister; Mr. Dearing was formally appointed just before Easter to fill a vacancy within the Industry Department. He became the Department's main industry policy deputy secretary in place of Mr. John Lippitt, 51, who left to become export co-ordinator for GEC.

Both men have had several offers of jobs outside the Civil Service during their careers and coincidentally received their first seriously tempting offers within a few weeks of each other.

The top echelons of the Industry Department are therefore now about to go through a more wide-ranging series of changes than expected. In the process one deputy secretary's job will go. This is because Mr. Gordon Manzie, who is deputy secretary in charge of the Department's Industrial Development Unit, is to combine this job with Mr. Lippitt's policy functions in place of Mr. Dearing. So while the Government has lost one nationalised industry chairman as a result of the changes, it has found another from within Whitehall and has at the same time helped cut its civil service salary bill.

MEN AND MATTERS

Law men call in marketeer

THE slow march of progress in the debate on the professions' freedom to advertise has so often led the troops up blind alleys that it is encouraging to hear of a modest attempt in the legal profession to beat a fresh pathway into the open. Not so encouraging, however, is the fact that the dead hand of Rule 1 in the regulations governing solicitors, gives my informant the jitters so badly that he cannot allow himself or his firm to be named. "I could be criticised for trying to seek business." he murmurs apologetically.

Suffice it to say, then, that his substantial and influential firm has taken on one of Britain's most successful marketing men, Aubrey Wilson, who will preside at the first of a series of seminars in the firm's headquarters next week. The aim is to help the business acsquire the professional gloss and efficiency, common enough in America, but seldom seen in the fusty old UK.

"At the same time," says my informant, "I hope to discover whether I can attract more business to my firm without breaking any rules."

Wilson, 57-year-old retired head of Industrial Marketing Research, tells me he is now a "teacher of satisfaction engineering," spreading the gospel, and continuing his long-standing campaign to establish his creed within the ramparts of the professions. He recently sent shivers down the spine of the Law Society when he produced for them a report on how marketing techniques could be applied to law.

The society, I hear, blenched at his use of marketeer's jargon (an odd reaction, I may say, given the mumbo-jumbo of everyday lawspeak), politely thanked the author, and promptly filed hte documents.

Not so easily shocked, however, our pioneering solicitor took matters into his own hands and hired Wilson independently. Given to strong language, he defends his initiative with the charge that those who disapprove are hypocrites, arguing that no one can justifiably attack him from within a profession whose members deliberately set out to cultivate clients by plugging in to the old-boy networks so efficiently operated in masonic cliques and Rotary Clubs.

"Doesn't bode well for the cricket trophy—he's stonewalling again!"

Carolina moan

Seekers after alternative sources of energy will be discomfited to hear that the windmill is not the paragon of environmental purity it is cracked up to be. High in the hills of North Carolina the world's biggest wind-powered generator, which provides the local electricity company with 2 MW, is also giving the local populace many sleepless night.

The area reverberates constantly with swishings from the 300 mph blades, mysterious dull thumps and "infrasounds"—too low for the ear to hear but not for the rest of the body to feel. TV transmissions are also chewed up in the turbulence. U.S. Department of Energy experts are now swarming around their $3.5m brainchild trying to find ways of shutting it up and barking back nostalgically to the good old days when their main problem was the giant blades' disconcerting tendency to come adrift.

Weed warfare

Capitalist Kenya and socialist neighbour Tanzania have never been short of cause for altercation, but I feel it is worth recording details of the latest squall which has blown up over the World Health Organisation's recent warning that smoking is becoming a serious hazard in the third world.

Kenya's president Daniel Arap Moi has risked offending British American Tobacco, which has a monopoly on cigarette manufacture in his country, by banning the weed in all public places. In Tanzania, however, economic constraints have been allowed to overshadow the Government's sense of social responsbility. The state-owned tobacco enterprise yesterday denounced the Moi plan and the WHO warning as ploys designed to sabotage the economies of nations dependent on tobacco.

Diving for debris

Whatever the problems of its U.S. parent (it is currently juggling with a 1979 loss of almost $10m) the Aberdeen end of Oceaneering International is as busy as it can be working on the underwater end of the North Sea oil industry. "We have 27 diving operations under way off Europe and Africa," claims marketing manager Tony Wilks, "and at the moment we are doing about $2m a month out of this office."

Latest job to boost turnover is a contract from Conoco to dispose of 13 redundant well-heads scattered about the sea bed. Teams are preparing to go down, blow off the tops and haul up the scrap out of the fishermen's way.

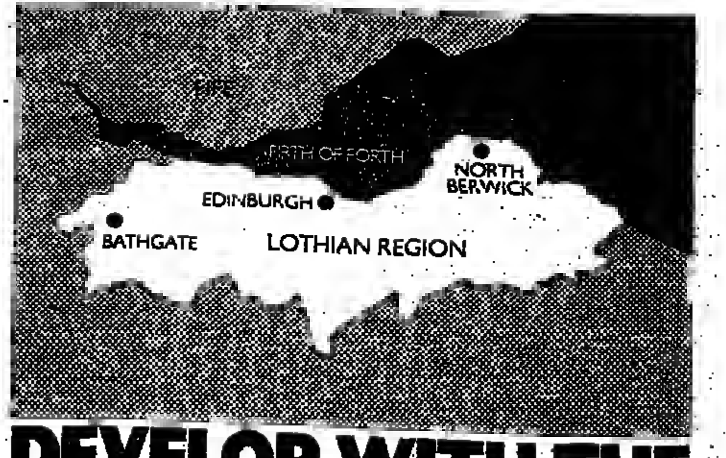
And there is plenty more similar work. Wilks, a diver who has swapped his rubber suit for worsted, tells me there are "hundreds" still to be removed; a ripening crop which will yield a golden harvest for specialist engineers like Oceaneering. The garbage disposal programme will also provide useful experience for the time when the oil companies start getting rid of redundant oil and gas platforms.

The man who organised the clear-up, Conoco's southern operations manager, Rod McKee, says with some relief that the divers will make a clean swaep of his company's unwanted well-heads. Only one will remain, but that is too close to a pipeline for safe disposal.

Apart from the complaints and compensation demands springing from damage to fishing nets, these underwater obstructions have had the Department of Energy in something of a tizzy. "At the outset," says McKee, "we followed instructions and marked them all with buoys," Apparently, though, someone at the DoE underestimated the drillers' vigour. There came to be so many floating about that the buoys became even more of a hazard than the well-heads and instructions recently went out telling the oilmen to clear them away.

Eastern promise

The pin-and-blindfold school of financial forecasting had better look to its laurels in the face of a challenge to its expertise from the East. EC4, to be more precise, whence Geoffrey Lee, editor of Finance-Monitor, has just confessed to the world that he has been using a 5,000-year-old Chinese divination technique—I Ching—when preparing his market predictions. Should any readers be interested to divine the consequences of this extraordinary admission, I shall be pleased to put them in touch with reputable suppliers of tarot cards, entrails, dowsing rods and rune stones.



April 16 1980

FINANCIAL TIMES SURVEY

Wednesday April 16 1980

Pharmaceutical Industry

This survey is published on the fiftieth anniversary of the Association of the British Pharmaceutical Industry. The world market, now worth £30.2bn a year, continues to expand and UK companies produce a big trade surplus.

Outlook far from bleak

By Sue Cameron

THE PHAMACEUTICALS industry—with estimated sales worldwide of $65bn or £30.2bn last year—appears to be entering a new and in many ways more difficult phase of development.

It is having to face a dramatic growth in Government regulations on the research, development and marketing of its products. The start of an economic recession in the West is leading to cuts in public speeding on health care, restrictions on phamaceutcal price rises in many countries and the increased use of generic drugs at the expense of the branded medicines that are the life blood of the research-based companies. Meanwhile the number of totally new drugs it is able to bring to the market each year is falling.

Yet new approaches to research are opening up the possibility of more fundamental and far-reaching discoveries being made than ever before—albeit ta a slower rate. New markets are also opening up for the major phamaceutical companies and some of the better established ones are continuing to expand.

Prospects for the industry, as it becomes more mature, are therefore far from being totally bleak. And perhaps one of the reasons why it so often comes under attack is precisely because it is still highly successful.

Today, amid growing public suspicion about the safety of medicines, the biggest problem facing the industry is the increase in national regulations on drugs. It is estimated that the time required to test a new drug and obtain a marketing authorisation for it has doubled over the last 10 years, largely because of the extra regulations that now have to be met. The cost of bringing a new medicine to the market has also risen dramatically.

12-year average

The big pharmaceutical companies say they spend an average of £25m on a major product from the moment it is patented to the day it first goes on sale. The time needed to put it through various tests for toxicity and efficacy, through clinical trials—when it is tried on human patients — and through all the other regulatory hoops and bureaucratic delays that are put in its path varies from 10 to 15 years but it can take longer. The average period is 12 years.

They are 12 years that eat into the effective patent life of a product. Drug patents in the UK and in most other European countries now run for 20 years. But the need to take out a patent on a new drug at an early stage in its development means that medicines are only protected for an average of eight years after they first go on the market.

The net result is that the major companies are spending more on research and development while the period during which they can expect reasonably high returns on their investment is becoming shorter. There seems to be general agreement within the pharmaceutical industry that the longest and costliest regulatory delays on new drugs occur in the U.S. The trend in the U.S. is perhaps best summed up by Mr. Duco Akkerman, commercial director of the U.S.-baed Dow group's pharmaceutical division. In a paper given at an industry conference last year, he spoke of the "horror stories concerning the U.S. regulatory agencies."

He stated that the U.S. authorities usually have a reassuring answer for those who complain that the need to meet unnecessary regulations will make them uncompetitive. They are told not to worry because all their rivals will be made uncompetitive too.

Mr. Akkerman went on to criticise the pharmaceutical industry for its "lack of courage" in defending "its interests and its drug promotion practices." He said drug producers had "simply been to passive in expressing our position to [illegible] bodies, to social bodies, to government bodies and, perhaps most important of all, to our customers."

In Europe, the needless secrecy with which many of the big drug groups shroud their activities has certainly done nothing to brighten their image in the eyes of governments or the public.

The pharmaceutical companies stress that they are totally in favour of all moves that will substantially improve the safety standards of their medicines—a claim that is sometimes cynically dismissed on the grounds that this is exactly what anyone would expect them to say. But there is plenty of proof that the drug majors are hard hit by any suggestion — whether valid or not—that their products are dangerous or are in some way of a low quality.

Passed as safe

Debendox, the U.S.-based Richardson-Merrell's prescription-only drug for the treatment of morning sickness during pregnancy, is a case in point. A lawsuit in the U.S. alleging that the medicine caused birth deformities led to sales of Debendox falling to almost nothing in the UK. Yet most British doctors were presumably aware that the drug had been cleared by the UK Committee on the Safety of Medicines in 1978 and again last year. It was passed as safe by the committee for a third time at the end of last month.

What the pharmaceutical industry does say is that some of the increased tests and trials that are now required are unnecessary and do not lead to higher standards of safety.

The Japanese, for example, demand that almost all the work done on a new drug is repeated in Japan itself before a product can go on sale there. Most pharmaceutical companies accept that this is reasonable as far as clinical trials are concerned because the Japanese sometimes react differently to Europeans to a particular drug. But the companies say there is nothing to be gained from repeating tests on mice in every country where they wish to market a new medicine.

Sometimes the industry is able to bypass regulations which it regards as unnecessarily tight. The UK is particularly stringent about the amount of data it requires before permission is given for clinical trials to go ahead, for example. The result is that many companies with UK research operations simply carry out most of their clinical trials in other European countries.

The UK therefore achieves little by being stricter than virtually all Continental countries. But British policy may ultimately help to discourage further foreign investment in pharmaceutical research in the UK.

Although research spending is rising—partly because of the heavier regulatory burden—the number of totally new products coming on to the market each year is dropping. It is estimated that whereas there were some 90 new drugs launched on to the world market in 1960, the annual number today is under 50.

One reason for this is that the great days of the chemo-therapy discoveries are coming to an end. Traditionally, chemical companies screned thousands of chemical compounds, hoping that perhaps one or two would prove to be useful medicines. But experts in the industry now believe that most of the breakthroughs that can be achieved with this approach to research have already been made.

Today, many companies are concentrating on disease, on biological mechanisms and on the body's own natural defences rather than on the screening of compounds. These new methods of tackling pharmaceutical research are not leading to the same spectacular number of discoveries that were a feature of the industry in the 1950s and the 1960s—almost year in and year out.

Successful

But they have led to the development of a number of highly successful drugs such as the beta blockers—used against heart disease—and the H$_2$ antoganists — used to treat stomach ulcers. Further discoveries in other fields, including immunology, are expected during the next few years as a result of this new approach to research.

Most of the world's great geographical drug markets are still expanding despite government attempts to curb spending on pharmaceuticals wherever possible because of the economic downturn. Over the last five years or so the world market for pharmaceuticals has risen from something in the region of $40bn—£18.6bn—to about $65bn—£30.2bn.

The largest market is the U.S. which is thought to be worth around $11.5bn a year — just over 17.5 per cent of all sales worldwide. Japan, with a market of around $8.75bn a year, ranks second. Japan's market is growing at a faster rate than that of the U.S. and the Japanese are fast developing a pharmaceutical industry of their own. As a result, many Western drug companies are redoubling their efforts to gain a strong presence there.

In Europe — the third vital market for the big drug producers—West Germany has total pharmaceutical sales of around $5bn a year, France about $4bn, Italy $2.5bn and the UK around $2bn.

One of the UK's strengths in pharmaceuticals is its ability to attract investment in both drug research and production. Britain also has an excellent record on pharmaceutical exports. Last year UK pharmaceutical exports were £654.5m and the industry's trade surplus was £405.9m. These figures, though good, were slightly disappointing compared to those of previous years.

But the main reason for the 2.5 per cent drop in exports compared to 1978 was the difficulty in selling to Iran, a major export market for UK drugs, following the revolution there. There were also problems in exporting to Nigeria, another important export market. But the industry now seems fairly confident that these problems will prove to be only short-term.

This year marks the 50th anniversary of the Association of the British Pharmaceutical Industry. Since it was founded, advances made by the drug industry as a whole have brought about a dramatic reduction in the numbe rof victims claimed by certain diseases each year in the UK. In 1930, for example, 36,000 Britons died from tuberculosis, 3,497 from diphtheria and 28 from smallpox, although there were 11,339 cases of the latter.

In 1977, the latest year for which figures are available, only 900 people died from tuberculosis, none died from diphtheria and there were no cases of smallpox at all.

The two biggest killers in the West are still heart disease and cancer as they were in the 1930s, but the above figures can still be seen as a tribute to the pharmaceutical industry. Despite the problems that now face it, it continues to be a highly successful industry—both in terms of its financial performance and in terms of its contribution to advances in medical science.

CONTENTS

Industry's flexible partnership with NHS

A FINE balance exists between the interests of the UK pharmaceutical industry and those of the National Health Service patient and taxpayer. The relationship is however also one of interdependence. The Health Service is still the industry's main customer accounting for about 35 per cent of total output mainly through the dispensing of prescriptions in chemist shops.

The NHS drugs bill has grown from £171m in 1970 to £592m in 1977 and will probably total about £930m in 1979/80. Nevertheless as a proportion of total NHS spending the drugs bill has continued to decline from around 8.2 per cent in 1970 to 7.1 per cent in 1976.

The bulk of the NHS drugs bill is accounted for by family practitioner service (FPS) spending—prescriptions written out by family doctors totalled £620m in 1978. In 1979-80 total FPS spending on drugs is expected to reach about £800m.

A further £128m, representing about 16 per cent of the total NHS drugs bill, will have been spent over the year by the health authorities on drugs supplied to hospitals. Spending on drugs by prescription, in the main through family doctors, is demand led and as such is not subject to Government cash limits.

Steady increase

The Royal Commission on the Health Service, which published its report in July, expressed "concern" over the size of the GP drug bill. The commission noted that "total prescriptions dispensed and the average quantity of drugs prescribed have been rising steadily," and it suggested that there were some indications of "over prescribing."

This charge has found support from some senior doctors concerned that 10 per cent of the drugs bill in England and Wales is spent on slimming pills, tranquillisers and cough medicines. However, the case has been strongly disputed by others within the health sector.

Other comments in the commission's report were equally controversial, including question marks raised over the £71m that pharmaceutical companies spent on sales promotion in 1977—much of which is directed at family doctors.

The manufacturers, through the Association of British Pharmaceutical Industry (ABPI), argue that as a percentage of total sales to the NHS the industry's promotional expenditure has remained constant and that most doctors appear to find promotion material and medical representatives helpful.

Nevertheless the last Government attempted unilaterally to reduce drug promotion expenditure in two stages to 10 per cent of NHS sales in 1979. Other restrictions introduced recently cover the information contained in advertisements and the distribution of "approved fact sheets" to GPs when they are visited by medical representatives.

Successive attempts by Governments to limit the prescription drugs bill are, however, largely dependent on persuading patients not to ask for medicines they do not need and a mixture of information, exhortation and threats directed at doctors.

There is little to suggest these periodic pleas have had any real effect.

Although the expenditure by family practitioner services on drugs cannot be directly controlled, GPs' prescribing is monitored. In England and Wales if analysis shows a family doctor's prescribing habits to be markedly out of line with colleagues in his area, a regional medical officer from the Department of Health and Social Security may visit him to discuss his prescribing.

However, the process is laborious and often delayed. The Royal Commission found that in England only about 7 per cent of family doctors are visited in this way, although some 10 per cent prescribe at a cost of 25 per cent or more above the average per person for GPs in their area.

In theory the ultimate sanction against the doctor who "over-prescribes" is to stop part of his remuneration. In practice this rarely happens.

The Royal Commission discussed several other forms of control over GPs all of which are strongly opposed by the industry and the doctors. They included:

- Limited lists: Some countries including Denmark, Austria and New Zealand have drawn up lists of essential and effective drugs. Listed drugs are prescribed free or at low cost while patients pay the full cost of drugs not on the list. The commission said that despite the limited savings such a list might achieve—perhaps only £10m to £20m a year—lists should be introduced.

The ABPI in its response said such a system would harm individual patients, restrict innovation, damage drug exports by undermining the home market for non-listed drugs and would breach the basic principle that doctors should be free to prescribe what they consider best for their patients.

In addition the association said countries in Europe with limited lists spend considerably more on drugs than Britain.

- Generic prescribing: In 1977 about 85 per cent of the drugs prescribed by family doctors were prescribed by brand or proprietary name although generic drug prescriptions tend to be cheaper. Despite the possibility that savings would be limited and chemists might have to be paid more, the Royal Commission said generic prescribing should be encouraged.

The ABPI, however, pointed out that medicines with the same active ingredients do not necessarily have the same effects. Prescribing by brand name, the association argued, ensured consistency in treatment, and in addition it said savings might be less than 3 per cent—or less than 0.3 per cent of Health Service costs.

Because of the objections to both proposals it appears unlikely that either will be adopted—at least in the short term. There is, however, a series of developments in progress which could lead to greater control over health authority spending on drugs.

At present, individual health authorities are responsible for purchasing hospital drugs except for a small proportion —3 or 4 per cent—purchased centrally. These centrally purchased drugs — currently there are four on the list—are bought in centrally because at some stage it has been found necessary to secure and, if necessary, ration supplies to the individual health regions. Other than these special drugs the 14 regional health authorities are in effective competition for drug supplies.

Every one or two years following a "tender procedure" with both drug manufacturers and distributors, regional health authorities negotiate 'call of contracts." These contracts, based upon expected demand, are compiled into a catalogue to be circulated within the region. Through this complex procedure individual hospital pharmacists know where to purchase particular drugs and how much to pay.

Levels of demand

Hospital pharmacists are "obliged" to buy from within the catalogue; however ultimate levels of demand clearly depend on whether there has been an unexpected change in the need for treatment, for example, through a flu epidemic.

The degree of central control over health authorities' drug bills is at present limited since the Department only sees that the final figure providing overall cash limits is adhered to.

However, there is a much greater degree of central "control" over the pharmaceutical manufacturers who supply the Health Service. This is achieved through the operation of the Pharmaceutical Price Regulation Scheme (PPRS), formerly the Voluntary Price Regulation Scheme. This is a system allowing departmental monitoring of the overall profits made by pharmaceutical manufacturers from supplying the NHS. The scheme, introduced in 1957 and subsequently revised and tightened on a number of occasions, provides the department with access to detailed annual financial information about suppliers which enables it to assess whether "reasonable" profits are being made. The profitability of drug companies became a controversial issue following a Monopolies Commission report on Hoffmann-La Roche and the subsequent settlement agreed in 1975 concerning the drugs Valium and Librium.

The real strength of the present scheme stems from its flexibility. In an industry where research and development is both costly and lengthy, the scheme allows these factors to be considered and weighed against apparent levels of profitability. The system therefore appears to have advantages over more rigid systems of price control operated elsewhere.

However, manufacturers claim that despite drug price increases, the combination of successively more stringent Government price controls and the existence of effective price competition has led to a fall in the profitability of the industry's sales to the NHS.

Thus the ABPI claims that between 1967 and 1976 return on capital fell from 27.2 per cent to 16.9 per cent and that, after tax, profit on NHS business amounts to only about 7 per cent of total sales to the health service at manufacturers' prices.

Two recent inter-related developments will probably strengthen scrutiny over the NHS drugs bill.

First, a report by the Supplies Information Working Party, a joint National Health Service and Departmental committee, will present a report in July on computerising information from prescription forms.

Second, a supplies council is being set up to look at whether the right price is being paid for all NHS supplies including drugs. Among its functions the council will have the task of advising both health authorities and the Secretary of State on purchasing policy and methods to improve the use of resources. The setting up of the council could also lead to more central purchasing if this proves cost effective.

The Council is charged with carrying out its functions "in such ways as to encourage a strong and innovative UK health-care industry capable of satisfying the needs of the NHS and building up a successful export market." Within this general framework the partnership between the industry and the NHS should continue.

Paul Taylor

Concern over erosion of patent rights

THE DRUG industry is deeply concerned over what it sees as the steady erosion of the patent and trademark rights that protect its innovatory products.

The attack of pharmaceutical patents and trademarks appears to be taking place on two fronts. On the one hand, some countries are changing their laws to weaken or effectively abolish patent protection. One the other, there is the more insidious growth in regulations governing the safety testing of new drugs—regulations which increase the time required to bring a drug to the market and so shorten its effective patent life.

The major pharmaceutical companies are not finding it easy to take action against this double-edged threat to their businesses. They maintain that patent protection is vital of they are to continue to research and develop totally new medicines. They point out that they must secure reasonable returns—for a reasonable period of time—on any new drug to cover hte cost of developing it and to pay for innovative research that will leead to the discovery of other valuable pharmaceutical products.

Butt he only real sanction they have against a government that decides to reduce patent protection is to withdraw from that national market altogether —a drastic step and one that could have adverse consequences for sales in future years. They can try to bring influence to bear on a particular country through international channels—yet this can be ineffective, particularly in the case of developing nations that have no pharmaceutical industries of their own to safeguard.

Mexico, India and Brazil provide examples of three developing States that are either planning or have already seriously reduced patent protection for drugs. The methods employed vary but they include:

- The complete, legal withdrawal of patent protection for pharmaceuticals.
- Drug companies that own patents to grant production licences as of right to all who apply for them—at low royalty rates.
- The reduction of patent lives.
- The substitution of certificates of invention—which give less protection and for a shorter period than patents—for true patents.

The erosion of patents and trademarks—the two are not the same and the latter is perhaps most important in helping companies to retain a reasonable market share for their products once thet patents themselves have expired—is not confined to the developing countries.

One of the worst offenders is Yugoslavia. She has ruled that Yugoslavian companies must own the trademark of any drugs they produce under licence from a foreign company. This law, combined with even more restrictive, nationalistic regulations on pharmaceutical technology, effectively forces West European and U.S. drug producers to hand over their expertise, lock stock and barrel —for little return—if they wish to perate in the Yugoslavian market.

Some Western countries—including the UK—have strengthened patent protection for pharmaceutical products during the last few years. In Britain, drug patent terms were lengthened from 16 to 20 years in 1977: Italy, long a thorn in the side of producers of patent medicines, has now agreed to accept patents after years of cheerfully ignoring them: Japan and South Africa have both improved the protection given to patented drugs: and the European Patent Act, which is accepted by all mebers of the European Economic Community and by some other European countries, now confers 20-year patents for new chemical products instead of providing protection just for new chemical processes.

Development stage

But despite these advances—from the point of view of the industry—patents still have to be registered early on in the research and development stage of a drug's life. It is estimated that it now takes an average of 12 years to bring a new drug to the market-place from the time it is patented.

During this period — which has doubled over the past 10 to 15 years — further tests and trials are carried out on a new drug and the resulting data is then prepared for national regulatory authorities. But the authorities may take up to two years to grant a marketing authorisation — often because of a simple shortage of staff.

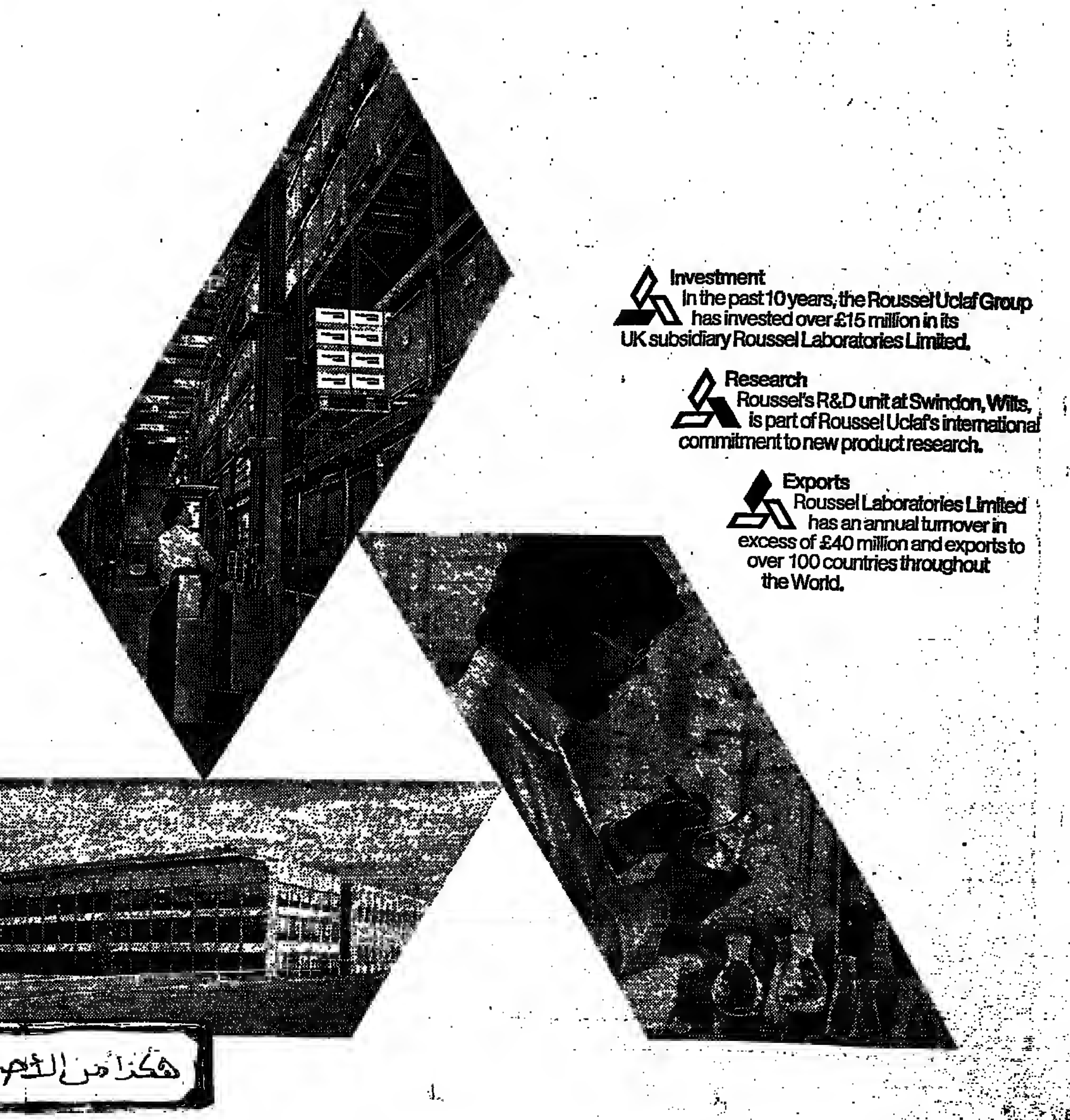
The big drug companies feel that some of the tests and trials they now have to carry out on new products are unnecessary and add nothing to the safety standards of the drug when it is finally put on the market. Yet the public is becoming increasingly worried about drug safety and there is a general trend to demand ever more stringent testing.

The case against certain types of tests, or the frequency with which they have to be carried out, is often highly technical. The arguments certainly do not have the same impact on the public as claims — however unfounded — that a certain preparation is dangerous. Witness the reaction over the past few months to charges that the U.S.based Richardson-Merrell's Debendox encourages the birth of deformed babies, or that the Swiss-based Roche's Valium is addictive.

The drug companies are therefore goingto have a hard time to persuade national regulatory authorities to reduce the number of tests required. Substantial increases in the number of civil servants employed by the regulatory authorities themselves would cut out some of the delays but this is also going to be unpopular at a time of looming recession and public spending cuts.

Yet if increased regulations effectively shorten a drug's patent life—after it has been put on the market—there would seem to be a case for periodically reviewing the time limits placed on patent protection.

Sue Cameron



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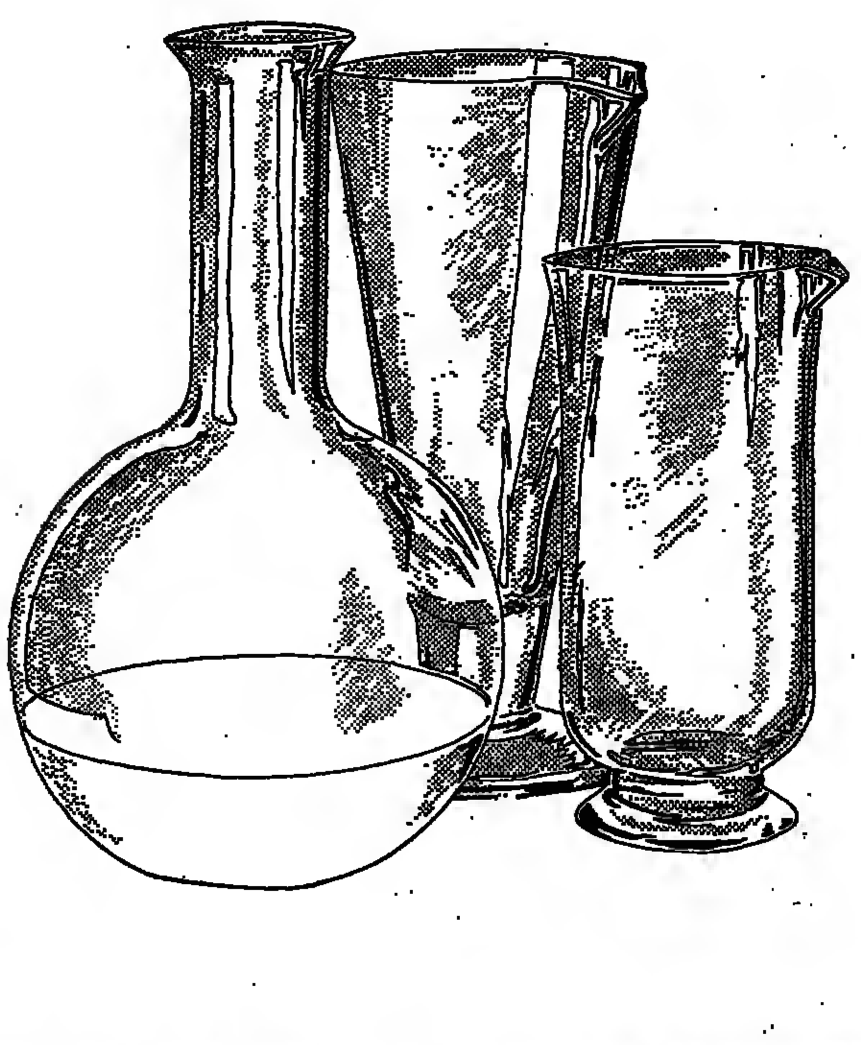


Anxiety over EEC controls

MOVES TOWARDS harmonising drug regulations throughout the nine member states of the EEC are viewed with mixed feelings by the pharmaceutical industry, which is uncertain as to whether the result will be a blessing or a curse.

The major pharmaceutical proucers are all in favour of harmonising European regulations in principle. Virtually all of them say their biggest headache is the growth of regulations on drugs in all countries. The cost and the delays involved in meeting various national requirements is eating into their profits and frocing them to narrow their range of research. They claim that, as a result, the number of completely new medicines coming on to the amrket each year is being cut.

One of the most galling aspects of the trend towards ever tighter rules on safety and on marketing is that a pharmaceutical company which has managed to jump through all the regulatory hoops held up by one country has to go through the same performance from start ot finish in other States before it can sell its drug there. The development of a true common market in Europe for pharmaceutical products would therefore cut out much of the duplicated effort and money which drug companies have to devote to satisfying various national regulatory bodies in the UK and on the Continent.

What terrifies the big drug producers is the possibility that the worst and most bureaucratic of the nine sets of national regulations now operating in the EEC will be piled on top of each other and made to apply everywhere.

Today, the slowest, most demanding and most disliked regulatory body is not in Europe but in America—the U.S. Food and Drug Administration. The big pharmaceutical companies—on whichever side of the Atlantic they are based—appear to be unanmius in saying that the last thing they want is a supranational, European FDA. Nor do they want a European regulatory system that bears any comparison to that operated by the FDA in the U.S.

The obvious alternative—though not the only one—is to introduce mutual recognition of drug regulations by the nations that belong to the European Community. This solution to the problems of establishing a true common market for pharmaceutical products—as laid down by Article 9 of the Treaty of Rome—contains plenty of pitfalls. The main one is the unwillingness of national governments to give up their right to control the drugs sold within their countries.

Yet their is evidence that this approach towards harmonising regulations on drugs is the one Europe will eventually take. Given national sensitivities about drug control, given the growing public demand for higher pharmaceutical safety standards and given the drug industry's suspicion of bureaucrats of all nationalities, it is surprising how far down the road towards regulatory harminisation the Community has already come. But the moves tend to have been towards mutual recognition of standards with the nine member states being allowed considerable national leeway.

Over the last 15 years, four EEC directives on pharmaceutical legislation have been adopted, one in 1965, two in 1975 and one in 1978. Taken together then ensure—or should ensure—that a number of matters concerning drugs are regulated in exactly the same way throughout the Community. The points they cover include:

- The conditions under which marketing authorisation are given;
- The requirements of tests and trials for prescription-only drugs;
- The manufacture and control of prescription-only drugs;
- Package leaflets and package labelling;
- The supervisory duties of national authorities;
- The colourings that can be added to medicines;
- The qualifications needed by people responsible for the production and control of pharmaceuticals.

One of the 1975 directives also set up the European Committee for Proprietary Medicinal Products — prescription-only drugs. It is hoped that the committee—known as the CPMP—will encourage the development of a common approach towards the appraisal of new medicines.

There are three main ways in which the CPMP can act. The most important—potentially at least—covers the licensing of new drugs in a number of Community countries.

Licence to sell

Under this scheme, a pharmaceutical company obtains a licence from one member of the EEC to sell a new drug in that particular, national market. But the company then asks the country concerned to sponsor the new drug to the CPMP—and it names at least five other EEC countries where it would like to sell the product.

The five nominated countries can object to the new drug if they wish but they do so on an informal and confidential basis. The CPMP then tries to discover why different national authorities have come to different opinions on the same product. In effect the committee acts as a forum for scientific discussion.

If, as e result of the CPMP's discussions, one country is convinced that its objections to the new drug are not valid—or, alternatively, the rest of the five are urged to look again at a particular objection because of its significance—the drug can then be licensed in all five States or refused an authorisation in all five States. This at least is the theory. In practice the CPMP cannot compel a member state to grant a licence to a new pharmaceutical product.

The flaw in this system lies not so much in the scheme itself but in the way the pharmaceutical majors heve reacted to it. Since the CPMP was set up, the procedure has been used only four times.

Another CPMP procedure, under which the committee acts as an informal court of appeal on new drugs that have been granted a licence in one country but refused a licence in another, has been used only once.

There is a third procedure under which members of the Community can use the CPMP as a straightforward vehicle for discussing the merits of a particular drug when any of them is thinking of giving it a licence, suspending it or withdrawing it from the market altogether. This has been used over 50 times.

Pharmaceutical companies put forward a number of suggested reasons why the CPMP procedures have not been more widely used—particularly the first one. They say that most companies are now geared to obtaining marketing authorisations in separate countries rather than through a single body: they claim that the industry is uncertain about how CPMP procedurea will work in practice and therefore give them a wide berth; and they say that the five-nation licensing scheme allowa little or no contact between the drug company concerned and the CPMP itself.

These so-called "reasons" sound much more like excuses—and the average Agatha Christie character would be ashamed to have such poor alibis. They suggest that the pharmaceutical industry's real reason for avoiding the CPMP is that it fears it would be helping to establish an FDA-type regulatory bureaucracy in Brussels that would be far more remote and far less approachable than the present national regulatory bodies.

In the meantime, Brussels may need to convince the pharmaceutical industry that it is not going to go all out to establish an FDA-type body. If the commission fails to do this, it will not gain the support of the industry in introducing hermonisation — and it can only go ahead with that support.

At the same time, the major pharmaceutical companies could perhaps participate more in the tentative schemes that have already been set up—notably those of the CPMP. The industry, which tends to have a poor public image, apepars to heve condemned some of the CPMP procedures out of hand. If it showed itself prepared to try new systems, it might perhaps be more frequently consulted in other spheres—at an earlier stage.

For harmonisation of Europe's drug regulations will come—if only because of the Treaty of Rome. What is more, it is in the interests of both patients and the big drug companies that regulatory harmonisation should come. It is only a matter of time— and of how it is done.

Sue Cameron

Remarkable growth of the drug market in Japan

THE MOST exciting market in the world today for the major pharmaceutical producers of the West is almost certainly Japan.

Japan is the second biggest drug market after the U.S. Pharmaceutical sales in Japan last year are estimated to have been worth around $8.8bn (£4.093) and to have accounted for nearly 14 per cent of the total world market.

The drug market in Japan is growing at a faster rate than that of the U.S.—which is estimated to account for about 17 per cent of world sales—and the per capita consumption of medicines is thought to be considerably higher than in America. This is one of the reasons why U.S. and European drug companies are so keen to establish a strong presence in Japan.

But the Japanese themselves aref ast developing an efficient and successful drug industry of their own. Some of the major Western producers fear that Japan, far from offering greater marketing opportunities in the longer term, will simply become a new source of fierce competition.

Earlier this year, Wood Mackenzie brought out a report on the Japanese drug industry, aptly entitles Japanese Drugs—Threat of Opportunity for the Eighties? The report looked at the Japanese marekt place for drugs, at trading trends, at some of the leading Japanese pharmaceutical producers and at the place of Western companies in Japan.

It stated that last year Japan still had a trade deficit in pharmaceuticals, but noted that while mipors of drugs had been growing at around 8 per cent a year, exports had been rising at about 15 per cent a year. There was therefore a strong liklihood that by the end of this decade the Japanese balance of payments on pharmaceuticals "could be strongly positive."

The report listed the top 16 Japanese drug companies, with Takeda heading the league table, followe dby Eankyo, Fujisawa, Shionogi, Eisai and Taisho. It pointed out that these companies lead a pharmaceutical industry that is rapidly increasing its spending on research and development. It is estimated that around $540m (£251m) was spent on drug research and development last year which is almost double the figure for 1974.

The report found that many Japanese drug houses are still content to licence their innovatory products to the West. But in the longer term, the Japanese producers were likely to want to sell directly into overseas markets and there was already evidence that a number of the larger companies were "starting to build-up marketing infrastructure outside Japan."

New deals

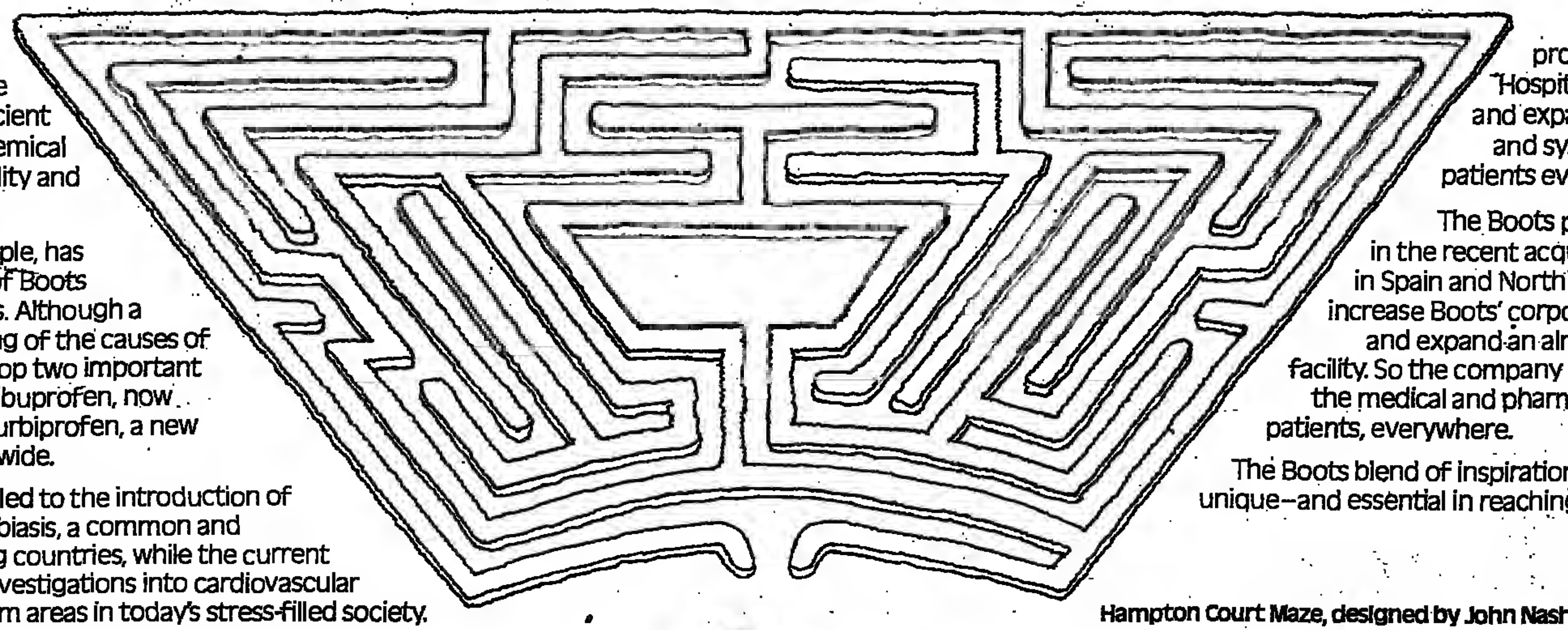
But at the same time, what the report called "the slowdown in th erate of innovation in the West" had "sharpened the appetite of European and American drug companies for inward licensing opportunities. As a result, the last few years had seen a "spate" of deals between Japanese and Western drug companies. In the main, the Japanese groups much preferred to do business with those Western producers with whom they had already established some links.

Over the last few years the Japanese have brought in drug patents—previously they only allowed patents on production processes—and they have also introduced a system of allowing premium prices on new products. The report pointed out that although these moves were primarily designed to help the indigenous industry, they also benefited Western pharmaceutical companies.

The report concluded that Japan probably offered more of an opportunity to Western drug producers than a threat. It said: "Given that eventually, the Japanese drug industry will be trying to penetrate Western markets, we think that the authorities in Japan will be anxious to create an equitable climate for Western companies so that the threat of retaliation can be minimised.

"We have found compelling evidence that the Japanese are becoming a rising force in drug research. However, because of the absence of suitable infrastructures outside Janan this, in the medium term, represents an opportunity rather than a threat to Western companies. It will be 1990 at the earliest before direct marketing of Japanese innovations will become a significant factor in Western markets."

S.C.



Dr. Daniel Azarnoff, president, Searle Research and Development, who has authorised the £5m investment in a pilot plant for biotechnology at High Wycombe

The threshold of discovery

NEWS THAT an American multi-millionair was planning to give £2.5bn to cancer research prompted The Lancet in a leading article to caution that "few experts believe that another programme of empirical research would yield a cure-all 'wonder drug.'"

The journal believes that the most cost-ffective and quickest way of achieving dramatic results with the money would be to spend it investigating the geography of cancer and the striking variations in patterns of cancer world-wide. Given sufficiently large resources, it sees opportunities here that have never been available before: for example, in China, with a large and well-organised population for the great majority of whom the environment is unlikely to change sharply in the next five or 10 years.

But the journal still retains some confidence in pharmaceutical research as a route to new cures for cancer. Discoveries of new classes of chemicals found in the body itself, such as prostaglandins and enkephalins, "encourage us to believe that we are on the threshold of entirely new approaches to the investigation of casual mechanisms and possibilities of treatment."

These discoveries are indeed profound enough to lead medical science to believe that they may hold clues to several of the big disease problems still waiting for cures. Moreover, they are in areas where medical science in Britain has laid strong foundations for the efforts now being mounted by the pharmaceutical industry.

One such discovery is the interferons, powerful substances which the body produces as a defence against virus infection. When Isaacs and Lindenmann of the Medical Research Council's National Institute for Medical Research discovered interferons in 1957 they were recognised universally as having the possibility of combating virus infections as effectively as antibiotics attacked the big bacterial killers.

Moreover, interferons had the advantage over antibiotics of being substances the body already produced, if sometimes inadequately, unlike antibiotics which are foreign bodies and sometimes produce a strong reaction.

Discouraged

But so complex were the problems of isolating and purifying specific interferons for tests against specific diseases that most research teams became very discouraged.

Fundamental work continued on the role of these agents, however, and has shown that they help to regulate the body's natural defences against infections and cancers. Research in the laboratories of the Imperial Cancer Research Fund in London has shown that they slow down or "freeze" living cells as they proceed through their normal processes of replication. This must be an important clue to whatever prevents cells from running amok, as they do in cancer.

Quite recently, results of small clinical trials with painstakingly purified traces of interferon have begun to show some encouraging results in cancer patients. Meanwhile, the drug industry's enthusiasm has been rekindled by the possibilities of new techniques for making interferons instead of trying to separate them from donated blood.

One important new source is G. D. Searle, the U.S. pharmaceutical company, which announced plans last month to build a £5m biologicals pilot plant at High Wycombe to manufacture interferon by tissue culture. It is installing six 200-litre fermenters to provide what it claims will be the largest production capacity anywhere for interferon—9.6bn units of fibroblast interferon a month, made from connective tissue.

To put this figure into perspective, cancer patients are receiving 1m units per patient per month for six to nine months. So this plant will cope with only a few hundred patients at a time.

If, as is hoped, interferon is successful in treating viral infections such as hepatitis, herpes, even influenza and colds, the problems of supply are magnified immensely.

But Searle, together with other major drug companies, now has high hopes of a "second-generation" route to interferon, by way of genetic engineering—surgery in the laboratory upon the genetic material DNA to induce it to make the interferon molecule. Its British laboratories have published a significant step this year towards the use of this new technology, and its new pilot plant is being designed to accommodate the next stage of scaling up its laboratory work.

Wider uses

Another major area of development for naturally occurring agents is the fast-growing understanding of the opiate peptides—the various enkephalins and endorphins. They first drew attention because of their powerful analgaesic action, which suggested an important role in controlling a patient's perception of pain, perhaps free from the side-effects of addiction. Now it is emerging that these agents may find much wider uses, not least in combating mental disorders. Several companies, among them Warner Lambert, Smith Kline and French, and Hoffmann-La Roche, are pursuing the possibility of using these powerful agents to restore the cognitive powers of a flagging brain, for example in the case of senile dementia.

Hughes and Kosterlitz of Aberdeen University reported the discovery of enkephalin as recently as 1975. So exciting was this discovery, enkephalins have since been isolated and synthesised widely, and their presence throughout the central nervous system well mapped.

Enkephalins have proved to be more widely distributed than the endorphins, with high concentrations in the gastro-intestinal tract. Several UK companies have lately reported success in synthesising enkephalins, among them Reckitt and Colman, Wellcome and ICI. Reckitt and Colman has reported signs of addiction in some of these compounds. But there is little doubt of their power as pain-killers, for example in the treatment of post-operative pain.

The endorphins, discovery of which followed hard upon that of the enkephalins, seems to be a still more potent analgaesic. Beta-endorphin, for example, is reported to be 100 times more potent than morphine, and the effect persists for several hours.

According to Dr. D. G. Smyth, who heads the laboratory of peptide chemistry at the National Institute for Medical Research, scientific evidence suggests that there are no fewer than three different endorphins at work in the body, which may act independently as potent neuro-modulators in the central nervous system, controlling our perception of pain.

It has been proposed, but not yet confirmed, that acupuncture, the Chinese method of analgaesia, may increase the pain threshold in a patient by releasing endorphins. Some researchers have reported finding increased levels of beta-endorphin in certain tissues after acupuncture.

Pain, a concomitant of almost every disease, is a major target of drug research for the 1980s. The Medical Research Council has recently reported that "chronic intractable pain is surprisingly common." It finds that some 60 per cent of people suffer one of more episodes of severe low back pain, and almost everyone over the age of 70 has some arthritis pain.

According to Dr. John Vane, the Wellcome Foundation's research director, who has explained the mechanism of aspirin, the world's most widely used painkiller, 100,000 tons of this drug are made each year. Which? says that Britons buy over 6bn painkilling tablets a year, for ailments that range from hangovers to rheumatism—potentially the world's No. 1 disease if ever heart disease and cancer are reduced by new drugs.

David Fishlock

Non-prescription market seems secure

UK HOUSEHOLDS spent £320m last year on over-the-counter medicines which provide an important source of additional revenue for the pharmaceutical industry while easing the pressure on the National Health Service. Although prescription drugs provide the largest slice of income for the industry, in volume terms more medicines are bought over the counter each year than are prescribed by doctors.

Household medicines now represent about 10 per cent of the industry's total output. Most are branded products, all are purchased without prescriptions.

The expectation that the market for non-prescription medicines would vanish with the introduction of the NHS in 1948 has proved false. Although sales, profits an demand for these drugs has remained relatively static over recent years a continued market for medicines bought by the public to treat minor ailments appears assured.

The importance of over-the-counter medicines and self help has been reflected in a series of reports and statements.

The Price Commission, in its report on the industry in 1978, conceded that "the NHS would be quite unable to deal with the extra demand that would be unleashed in the absence of medicines for sale over the counter."

The Royal Commission on the National Health Service in its report published last year said: "Intelligent self-medication and care can undoubtedly reduce demands on health services" and added that it is essential that society accepts the need for appropriate self-care.

The industry has successfully shrugged off the image of the "proprietary" medicine as a second-rate product—although the trade association retains the name—the Proprietary Association of Great Britain.

In the wake of the changed status of the non-prescriptive medicine has come acceptance from politicians, health care planners and doctors.

Self-help

Thus Sir George Young, Health Minister, speaking last year at the association's 60th anniversary said: "The vast majority of everyday indispositions are made up of such things as temporary coughs, colds, indigestion and constipation which can be quite appropriately managed without consulting a doctor."

In fact the average member of the public consults his doctor less than four times a year and successive Health Secretaries have encouraged a greater reliance on self help, including a visit to the chemist rather than the overworked doctor.

This endorsement of the use of non-prescriptive medicines is in part a consequence of the pharmaceutical industry's own efforts. The industry has imposed its own measures of self-control and since 1968 all medicines, whether prescription or non-prescription, have been licensed. The advertising of products is also tightly controlled both by the industry's own pre-publication system of scrutiny and by the Government.

Against this background the industry has developed a wide range of products specifically aimed at the treatment of minor ailments. The Price Commission estimated that there are some 1,500 proprietary non-prescription medicines of which about 300 are advertised.

The four most important categories of over-the-counter medicines in terms of sales value are analgesics—pain killers like headache pills—cough and cold remedies, digestive and laxative preparations, vitamins and tonics. Together these household medicines account for about two thirds of the value of sales.

Although the list of active ingredients which may be used in these medicines is severely limited by the need for wide safety margins, manufacturers have been able to establish wide product differentials. The market for non-prescriptive medicines is complicated by the quality of the product since these drugs are medicines in the same way as prescription products—and controlled by equally stringent regulations—but they are also consumer goods which must achieve retail distribution sales.

To ensure success in the market place, manufacturers see branding as vital. Without branding, they argue, the volume sales necessary to fund development and innovation could not be achieved. However, since the market for these medicines is more or less constant, competing brands can only increase market share at the expense of others.

The Price Commission confirmed what was already known that over-the-counter medicines have low price sensitivity, brand loyalty is high and customers are loathe to experiment. In addition, although overall household expenditure on non-prescription medicines increased by over 20 per cent last year, home medicines still represent less than 0.5 per cent of average household expenditure—less than 40p a week.

Even the largest sector of the market—analgesics—is worth less than £40m at shop prices and each sector of the market is highly fragmented. The top seven brands hold less than 60 per cent of the market with the remainder made up of 250 different brands. The Price Commission suggested that advertising in this sector can equal the direct costs of manufacture and are often 25 per cent of sales revenue.

Similarly, the market for cough and cold remedies is both complex and subject to major sales fluctuations. The commission suggested that in 1977/78 the market for advertised and own brands was worth about £14m with the top four manufacturers accounting for 65 per cent of sales.

The industry is particularly sensitive to criticism of its high advertising to sales ratios but argues that it is the low sales revenue rather than the lavishness of advertising that creates the illusion of extravagance.

Essential

Advertising is seen by the manufacturers as essential to its continuing success and future development. The industry points out that even the Price Commission acknowledged that advertising assists public choice, enhances product benefit, increases availability, aids competition, restrains price increases, and allows economies of scale.

The industry also claims that advertising plays a vital role in health education and points with pride in its own advertising regulatory system.

Within the UK, pressure for wider controls over advertising has abated although the industry is now in the midst of a battle over a proposed EEC advertising directive which manufacturers claim would be misleading and would push up prices.

The other function vital to the industry is continued innovation. In the absence of a cure for the common cold, research, estimated by the Price Commission to total about 4 per cent of sales revenue, is directed at refining medicines to provide additional relief.

In the longer term, the industry is considering the potential for development of over-the-counter medicines containing drugs currently available only on prescription and the possibility of widening the scope of self-medication, for example by allowing the restricted sale of certain prescription medicines to patients with conditions diagnosed by a doctor as intractable and susceptible to occasional symptomatic treatment.

For the present however, pharmaceutical manufacturers are concerned with maintaining home and export sales, market share and profit margins in the non-prescriptive sector.

Manufacturers may hope for a slight fillip to sales as a result of the Government's decision, announced in the Budget, to increase prescription charges to £1 from December. However previous prescription charge increases have resulted in only temporary sales gains. Next winter's weather and the possibility of a flu epidemic are more important.

Paul Taylor

Training for profession's changing role

AS STUDENTS, pharmacists become knowledgeable on the function of beta-blockers, the role of neuro-transmitters, and the importance of cell biochemistry and spend long hours on complex laboratory experiments investigating the interaction of drugs in animals.

But on graduation many face a different reality across the pharmacy counter for which their studies have left them ill prepared. What to recommend to cure a rash or a cough, how to cope with a customer who has swallowed the powder out of his capsules and brought the cases back for a refill, or a drug addict with an obviously forged prescription.

The contrast is just one example of a series of complex educational problems facing the pharmaceutical profession. How can the demands of an ever-expanding scientific curriculum be combined with the teaching of the human skills needed to ensure patients do not misuse or abuse increasingly potent drugs?

And how can adequate continuing education be provided for an age when, according to some estimates, up to 90 per cent of knowledge in the medical sciences has been accumulated in the past ten years, and no one's qualifications will last anything like a working lifetime.

In particular the problem is how to ensure that pharmacists are fully aware of new developments and specialisations when conventional lectures reach perhaps only 10 per cent of pharmacists.

Decisions elusive

"Continuing education for pharmacists," the Pharmaceutical Journal commented recently "is an area where change is in the wind but decisions are elusive."

Pharmacists are urgently reviewing the educational needs of the rapidly changing and expanding role they now have to play. Increasing standardisation of drugs and doses and the increasing pressure on Health Service finances has pushed the pharmacist into more of an advisory and less of a technical/dispensing role. Many pharmacists believe that the sharp rise in prescription charges will face them with even more tricky decisions.

"In Scotland we have already had a case of a man with four items on a prescription but only £1, asking which was the most important item to have. These are decisions which will be forced on pharmacists because there is no-one else," Mr. James Bannerman, chairman of the Pharmaceutical Society's education committee and a past president of the society, commented.

The changing role of pharmacists has been particularly pronounced in the hospitals where new specialisations have emerged. Pharmacists have gradually been coming out from isolated basement pharmacies onto the wards as a full member of the health team. Sometimes their responsibility is to ensure that drugs are stored properly on the wards and that adequate supplies are available.

But increasingly, ward pharmacists are becoming involved in clinical judgments, assessing drug regimes most appropriate for a patient and trying to prevent dangerous interactions.

Drug information is another important new specialisation, usually organised at the hospital regional level and involving, like clinical pharmacy, the need for new patterns of education, much of it postgraduate. It was even revealed last month that regional pharmacy information officers are now co-operating to produce "independent assessments of new drugs" to allow comparisons with the claims of manufacturers.

Four years ago Dr. J. Swarbrick, then Dean of the School of Pharmacy at London University, warned of an apparent failure "to give due emphasis in the curriculum to co-ordinating the physical, chemical and biological knowledge of drugs in such a way that the student had the confidence and ability to communicate and deal effectively both with members of the public who came to him for advice and with physicians."

That particular school has done something about it. In a reorganised course a new third year pharmacy core includes lectures by doctors on selected diseases, their cause and alleviation and a new emphasis on drug information.

And from this autumn the school plans to introduce a new MSc course providing a scientific basis for the best selection and use of drugs, including clinical practice sessions at Northwick Park hospital. Chemotherapy and drug metabolism will be taught by pharmacists while pathology and therapeutics will be taught by medical staff from London hospitals.

Mr. Bannerman believes that the 17 British schools of pharmacy—ten in universities and seven in colleges of technology—are slowly moving towards a more patient-orientated and clinical approach while retaining the traditional core subjects of a pharmaceutical education, the chemistry of drugs, the pharmaceutical aspects of medicines and their action and use.

The Pharmaceutical Society, which finally gave up examining pharmacists in 1970, has been anxious for some time to tighten up the requirement for the pre-registration year—the year all pharmacy graduates must serve under the supervision of a qualified pharmacist before being admitted as Members of the Pharmaceutical Society. New regulations will come into force in 1981 which will mean stricter assessment of young pharmacists. In the past, progress to MPS status has in practice been fairly automatic.

The society will validate pre-registration courses run by the larger organisations such as Boots and will be directly responsible for students in individual pharmacies.

Students will have to make written submission and if there is doubt about a student's progress, the society will ask for the pre-registration period to be extended.

Attempts are also being made to set up regional postgraduate education committees funded by health authorities, but progress has been slow.

Perhaps the greatest potential step forward in providing a framework for postgraduate work, continuing education and for raising the status of pharmacy and encouraging excellence is the planned College of Practitioners, due to be set up next year.

Mr. Bannerman hopes it will encourage the emergence of an elite and that it will do for pharmacists what he believes the College of General Practitioners did for GPs. Entry would be by examination or unusually distinguished contribution to any aspect of pharmacy.

One study, at Leicester Polytechnic, suggested linking continuing education — through correspondence courses—with a College of Practice. The Leicester group produced a trial correspondence package, including assessment on "the respiratory tract, its structure and function" and the response from local pharmacists was good.

Recognition

Dr. N. Westwood, a senior lecturer in pharmaceuticals at Leicester commented: "It seems possible that course credits might receive professional recognition; for example they might become recognised by the Pharmaceutical Society at least as part of the requirement for entrance to a college of practice."

The Pharmaceutical Society also approved last month the setting up of a research survey to pinpoint the future educational needs of its members. The performance of a sample of pharmacists with 20 or fewer years on the register will be assessed, anonymously, to see where the weaknesses lie.

The future educational needs of British pharmacists may yet be influenced by Britain's membership of the EEC. A draft directive has already been drawn up which would allow pharmacists of the EEC nations to practise throughout the Nine. But the British undergraduate courses — three years in the universities or four at polytechnics—are shorter than in the rest of the EEC where five years is more normal. In Holland a pharmacy degree takes six years with the period of pre-registration as an integral part.

But according to the Pharmaceutical Society, informal agreement has been reached that the second British "A" level year will count as the first year of a Continental university course.

This might clear the way for "harmonisation" and agreement within two or three years.

If the directive is accepted, British pharmacists hope that language and cultural barriers will be strong enough to save them from too much competition for jobs from countries such as France, which combines strict control of the number of pharmacies with over-production of pharmacy graduates.

Pharmaceutical education in Britain is clearly entering a period of rapid change. A report from the Royal College of Physicians of Edinburgh last year even advocated that the involvement of pharmacists, doctors and nurses in each other's undergraduate courses should be encouraged to allow the pharmacists' expertise in areas such as drug kinetics (the rate of movement through the body), the legal aspects of prescribing, and clinical trials to be more fully used by medical schools.

But although co-operation between the health professions is slowly increasing, a long term plan put forward by Professor A. M. Cook of the Welsh School of Pharmacy six years ago for a three year health science course for medical, pharmacy and dental students, followed by further study for a professional qualification still seems a long way off.

Raymond Snoddy

Two sides to Third World problem

THE PHARMACEUTICAL industry, firmly based as it is in the U.S. and in a handful of North West European countries, is regularly attacked for its attitude to the poor but developing nations of the Third World and their need for medicines.

The big pharmaceutical producers are criticised on a number of grounds. They are alleged to put little effort or cash into research that is aimed at finding new drugs for the treatment of tropical or other Third World diseases. It is argued that they know there is no hope of making fat profits — an activity the drug companies tend to be good at — by selling medicines to poor countries. Therefore they do not bother.

They are further accused of selling-off old, sub-standard drugs to Third World countries — drugs that would never meet the high safety standards enforced in Western markets. To add insult to injury, it is also claimed that the major drug companies avoid building pharmaceutical factories—much less research laboratories — in the poorer countries. The machiavellian reason for this is said to be that the major companies would have to accept lower prices for their medicines if there were local production facilities. Worse, the Third World nations might even start to develop their own, competitive pharmaceutical industries.

There is some truth in all these allegations. There are many Third World diseases for which there are no effective treatments: poor countries are clearly not going to be able to contribute as much to a company's profits as the markets provided by rich nations: the major pharmaceutical groups do not rush to build huge drug factories in every country where there is a demand for a particular medicine: and sometimes a drug that would not be allowed to be sold in one of the developed countries is sold in some Third World markets.

But the facts—as opposed to the accusations—do not necessarily add up to a neat picture of a callous industry which only interests itself in disease and in the sick when the latter happen to be white, Western and wealthy. Even taking the most cynical view—not necessarily an unreasonable one to take—the big drug companies are well aware that in the long term, Third World countries are going to provide valuable markets for pharmaceuticals.

Opportunities

They also know that a company which gains a bad reputation in a particular country is not going to be in a strong position to take advantage of marketing opportunities there when they present themselves. Proof of this can perhaps be seen in the developing drug industry of highly industrialised Japan. The Western pharmaceutical companies that are now doing best in Japan are those that have built up strong links with indigenous drug companies over the years through licensing agreements and other deals.

The real problem with selling drugs on a large scale to poor countries—and it is not one the drug companies themselves can solve, even with the best will in the world—is that developing nations have neither adequate medical services nor adequate pharmaceutical distribution networks. Yet it is physically impossible to provide drugs for all those who need them in lands where there are few roads—or other forms of transport bar shanks' pony—and even fewer doctors to prescribe proprietary medicines.

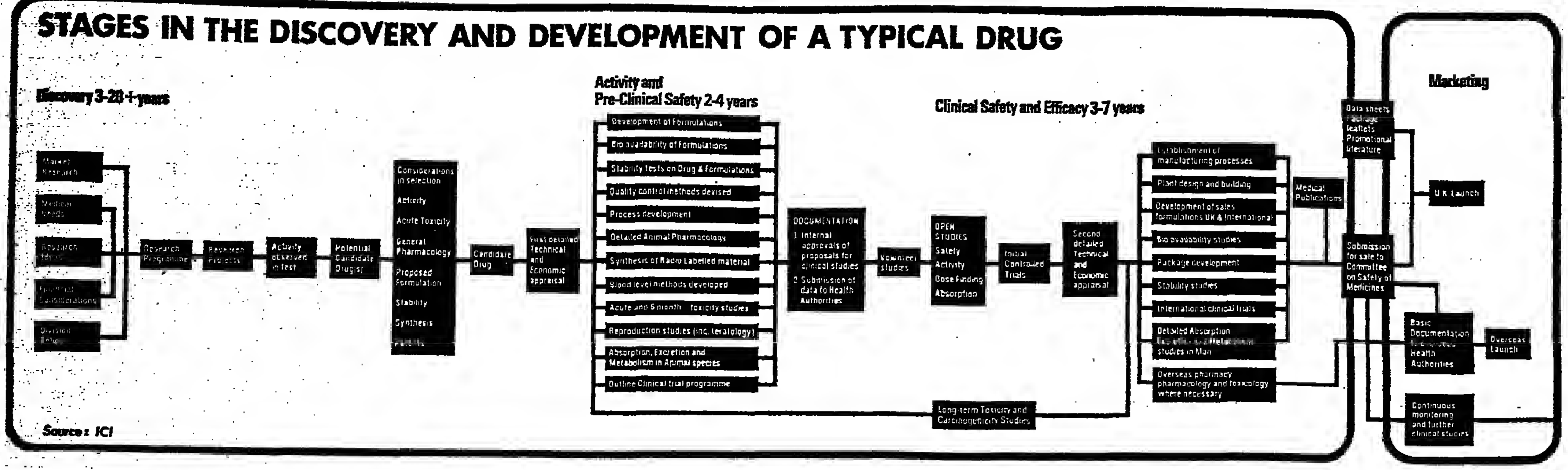
For exactly the same reasons, it can be argued that there is often little to be gained from the local production of drugs. The capital cost involved in building a pharmaceutical plant is likely to mean that prices will be no lower than if the drugs in question had been imported—the prices of all proprietary medicines have to include an element of research costs.

The charge that the big drug producers rarely take much interest in cures for "unprofitable Third World diseases" is also a hard one to prove. The International Federation of Pharmaceutical Manufacturers Federations, more than half of whose 50-odd members come from developing countries, says that in the last few years six European pharmaceutical producers have spent a total of $40m a year on six tropical diseases being given attention under the World Health Organisation's special programme. The WHO itself is currently spending around $25m on research into tropical diseases.

A number of the largest pharmaceutical companies, notably those based in Switzerland and Germany, including Hoechst, the largest drug concern in the world, have also offered to provide drugs either free or on specially favourable conditions to Third World nations through the WHO. The companies say their offers have sometimes been refused.

S.C.

STAGES IN THE DISCOVERY AND DEVELOPMENT OF A TYPICAL DRUG



Source: ICI

The high cost of marketing new products

IT TAKES as long nowadays to bring a new drug to the market as a new engineering system, five to 10 years, and costs betwen £1m and £2m to research, develop and prove a satisfactory new product. The risk of failure is high and much of th money may have ben spent before flaws in the podnct are revealed.

There have been well-publicised cases where the flaws have been so obscure that they began to reveal themselves only when the manufacturer had invested in its production; and sometimes only when it was being used by very large numbers of people.

But the principal barrier tto innovation in drugs is not the rapidly rising cost of research and development per se but public perception of risk. As with some other widely criticised activities, such as pest control and nuclear power, the public demands proof of absolute safety, without recognising that absolute safety means a product so innocuous as to be valueless.

Dr. M. Weatherall, recently retired as director of establishment at the Wellcome Research Laboratories, one of Britain's most successful founts of drug innovation, has instanced the outcry about possible hazards of vaccinating babies against whooping cough. Publicity given to babies who suffered fits after vaccination—and the quality of evidence of a correlation, says Dr. Weatherall, "left much to be desired"—was enough to depress severely the numbers vaccinated in the late 70s. The incidence of whooping cough has risen alarmingly, and with it the death toll from the disease.

Immunisations

"Fear of the hazard of immunisation has generated illness and death from the natural disease on a scale far beyond what immunisation itself would cause," he wrote recently in the Pharmaceutical Journal.

The total recorded number of deaths in Britain in 1977 from toxic effects of drugs used therapeutically was 518. This figure gives no cause for complacency by the drug industry, and may anyway be an underestimate since other causes of death are likely to have been ascribed in some cases. But the figure should nevertheless be compared with that of 34,000 who died the same year from lung cancer, when the carcinogenicity of tobacco smoke has been established beyond doubt since the early '60s.

Drugs that have surmounted the lengthy processes of safety evaluation demanded by government today cause iatrogenic disease — drug-induced afflictions—not because of the cupidity of the drug industry but of some slight idiosyncracy of the sufferer. The idiocyncracy may, for example, be a cancer, where a particular type of cell in the body has run out of control. A drug powerful enough to arrest so specific a problem will inevitably hazard healthy living cells of the same and perhaps of a different kind.

But the idiosyncracy may also be a genetic inability to tolerate a particular chemical—one many people readily accept in the case of foods, for example. Or it may be an interaction with something else the person has eaten, or some other drug the patient is taking.

Idiosyncracies of this kind can be so rare that they show up only when clinical trials have been extended to many thousands of patients; in other words, once the drug is manufactured and available widely to doctors.

It took 40 years of painstaking statistical research to disclose the correlations between tobacco smoke and lung disease, even though once established the correlation was revealed to be very close, and the problem to be of epidemic proportions.

Warning signs

There is no doubt that a steady decline in the introduction of new drugs has followed the stricter requirements for safety testing following the thalidomide debacle of the early 60s. Thalidomide exposed a problem — teratogenecity — novel to toxicology. Where the drug industry was culpable was in failing to respond quickly to warning signs that something was amiss.

But Professor George Wibberley and Mr. Fred Steward of the pharmaceutical innovation group at Aston University point out that the decline in new products is not only because of tougher standards for "new chemical entities" (NCE). The greatest decline for Britain has been in new products containing an active ingredient already available in some other product. The Committee on Safety of Medicines has been deliberately discouraging the proliferation of products based on the same mechanism.

These researchers say that an NCE may be withdrawn from the market for other reasons than toxicity problems — inadequate efficacy or poor sales, for example. Their analysis of NCEs introduced in Britain between 1960-75 shows that since 1964, when the Dunlop Committee on the Safety of Drugs was set up, there has been a much lower rate of withdrawal.

Efficacy it seems, is no longer in question once products have been approved by the regulatory authority, which since 1968 has been the Committee on Safety of Medicines. The system has also greatly reduced, if not eliminated, the risk of a product performing poorly in sales.

Drugs available today are undoubtedly much safer than those of two decades ago. The British Medical Journal recently described the concept of randomised, double-blind controlled trials of new drugs as one of Britain's most important contributions to medicine since the war.

But tighter controls are only part of the story. One of the most important factors is that the drug industry has a much better understanding of basic pharmacological mechanisms, for example of receptor mechanisms, leading to much more selective action upon the site of the disease, and fewer adverse reactions through interference with healthy processes in the body.

Another innovation has been much more selective drug delivery systems, able to deliver drugs at or close to the site of the problem. These systems are beginning to eliminate the grossly inefficient if time-honoured pill "three times a day before meals," whose efficacy is so often undermined by the complex chemistry of the alimentary system.

The drug industry now believes there is strong evidence that a limit is being approached — may even have been reached — in the overall effectiveness of drug control mechanisms operating in such countries as Britain and the U.S. Tighter controls, it believes, could now have the result of diminishing benefits to patients, for example by depriving the sick of a new drug because of a remote risk or uncertainty about its behaviour.

Although many major targets of the drug innovators have been reached, notably among the infectious diseases, several major targets remain. They include most cancers, much heart disease, rheumatism and arthritis, multiple sclerosis, most mental disorders, and several big problems endemic in the more impoverished countries, including malaria and leprosy.

Growing interest

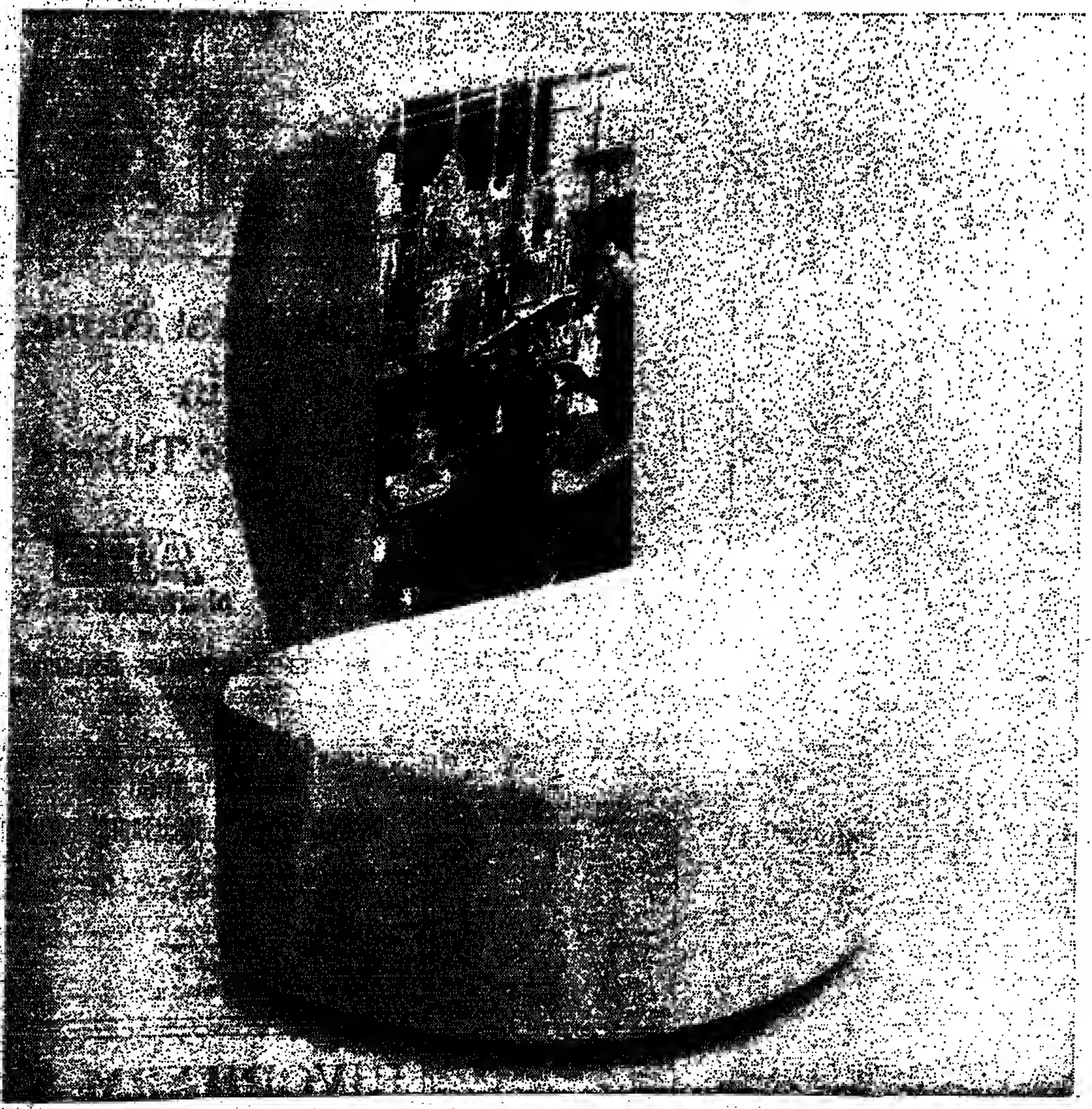
There is growing interest in finding ways of accurately assessing the impact of drug control mechanisms to gauge how much good and how much —if any—harm they are doing at their current level of rigor. Three possible ways of making this assessment have been suggested.

One would be to use scientific case studies, perhaps to investigate how a particular drug was treated by different national regulatory bodies, and correlate this with the impact on public health for each nation. It would require co-operation of both manufacturers and governments to be succesful.

Another way would be to examine how the regulatory agency goes about its business; for example, which drugs it rejected or caused to be withdrawn from the market, and why, and what were the experiences of another country whose regulatory agency approved the product.

A third way would be to examine the market and how the availability or otherwise affects the patient and his progress. This study would probably be the most complex to organise, but its results could well prove the most convincing on whether we have reached a natural limit to the value of tighter controls on the toxicity of drugs.

David Fishlock



The strong emphasis on drug research is yielding a number of significant new developments. Here, and on the following two pages, SUE CAMERON looks at the progress of some of the leading pharmaceutical manufacturers.

Signs of success

BAYER

Pharmaceutical sales in 1978: DM3.4bn (£809m)
Pharmaceutical sales as a proportion of total turnover: 20 per cent
Pharmaceutical research spending: £35.8m (estimated)
Main areas of pharmaceutical production and research: cardiovascular drugs; antibiotics; metobolic drugs; analgesics—painkillers; tropical diseases; cancer
Main pharmaceutical products on the market: Adalat—a heart drug; Baypen—an antibiotic; Aspirin; Concsten—used to treat skin disorders

THE GERMAN-BASED Bayer has just launched its antibiotic, Baypen in the UK. The drug, which has been on the German market for 18 months, is a powerful, broad spectrum antibiotic and the group claims that it is particularly useful for the treatment of patients who have weak resistance or who are taking other medicines.

Bayer is planning to launch Baypen in other countries and it is working on a number of follow-up products—antibiotics that will have a slightly different range of applications. Yet although this new drug shows signs of being highly successful, one of the biggest contributors to Bayer's profits i till Aspirin—discovered by the group in 1899.

Aspirin—a Bayer trade name in most countries although it is used as a generic term in some places, including the UK—is said by the group to be the most widely usad drug in the world.

Bayer, like so many of its competitor, is concerned about some of the "ludicrous" regulatory obstacles that are put in the paths of those trying to bring a new medicine to the market place. It says it is conscious of the need for safety but deplores demands for totally risk-free drugs on the grounds that nothing can ever be 100 per cent safe.

The group says that the extra money and time needad to adhere to national regulations has forced it to narrow the range of its research and development operations. Money "can only be spent once" and it therefore has to concentrate on research projects which show promise at an early stage.

Bayer's ranga of pharmaceutical research areas is still wider than that of many other companies, if only because of the group's sheer size. And its pharmaceuticals business is accounting for a growing share of its total sales—in 1971 the division accounted for only some 11 per cent of world turnover as opposed to 20 per cent in 1978.

One reason for the growth of Bayer's pharmaceutical sales is its increased presence in the vital U.S. market. Six years ago it bought Cutter Laboratories and in 1978 it also purchased Miles Laboratories for $250m. In 1978 sales at Cutter were $256m while those from Miles were $537m.

Confident of future

BEECHAM

Pharmaceutical sales for the year ending in March, 1979: £324.6m.

Pharmaceutical sales as a proportion of total group turnover: 35.1 per cent. Total research spending for the year—including pharmaceuticals research: £31.3m.

Estimated spending on pharmaceuticals research alone: £26m.

Main pharmaceutical research and production areas: antibiotics; allergy vaccines; drugs for gastro-intestinal disorders; cardiovascular drugs; vitamins—available without prescription.

Major products on the market: Amoxil, Pyopen Ticar, and Penbritin—antibiotics; Pollinex—used against hay fever; Marolon—for treating gastro-intestinal disorders.

UK-BASED Beecham claims that the effects of unlicensed competition on its best-selling Amoxil—amoxycillin—sales in the U.S. have been "exaggerated." The claim is accepted in many quarters of the pharmaceutical industry but the group clearly has been affected—especially as unlicensed competition was accompanied by vicious price-cutting on amoxycillin.

Perhaps it is not surprising, therefore, that Beecham is particularly critical of the controls placed on drug prices by governments around the world. It points out that drug prices are regulated in many countries—including less-developed ones—and that there is currently "strong pressure" on margins. Yet governments are "generally unwilling to allow pharmaceutical prices to keep up with inflation."

The group cites France, whose Government permitted a general rise of about 3 per cent in pharmaceutical prices earlier this year, as one of many examples. A 3 per cent increase came "nowhere near" to reflecting the rate of inflation in France.

During the past year Beecham, like other UK-based drug groups, has also been hit by the strength of sterling and by the turmoil that followed the revolution in Iran. Iran has always been an important export market for British drugs.

Yet the group is confident about its long-term prospects and even in the shorter term. Beecham is launching some interesting new products and has some likely-looking drugs in its laboratories.

It claims that Ticar, another of its antibiotics, is making an important contribution to its profits in the U.S. and is actually more important in Amarica than the troubled Amoxil. Earlier this year Ticar was launched in Japan, where the market for it could well prove to be even bigger than that in the U.S.

Beecham is also "very close" to launching Augmentin, an oral antibiotic which the company says is effective against a broader range of bacteria than any comparable drug now on the market.

The group is doing research on a number of anti-viral and anti-inflammatory products and says it has one of the latter undergoing clinical trials at present. The drug, which will be used to treat such illnesses as rheumatoid arthritis if the trials prove successful, is said to be "very promising."

Beecham is looking for expansion primarily in its overseas markets because, as it puts it, "we have such a large market share in the U.K. now."

A pioneer in antibiotics

GLAXO

Pharmaceutical sales in the year ending June 30, 1979: £378.7m.

Pharmaceutical sales as a proportion of total turnover: 70 per cent.

Pharmaceutical research spending in 1979: £25m.

Main areas of pharmaceutical production and research: antibiotics; steroids; drugs to treat asthma; cardiovascular drugs; immunology; anti-cancer drugs; anti-arthritic drugs;

Major products on the market: Zinacef and Ceporex—both cephalosporin antibiotics; Betnovate—a cortico steriod for treating skin diseases; Ventolin—an anti-asthma drug; Trandate—a heart drug.

The UK-based Glaxco claims to have a number of "significant" new drugs in its research pipeline but the most promising of them is almost certainly ranitidine, designed primarily for the treatment of stomach ulcers.

Ranitidine is similar to Tagamet, the Smith Kline French best seller, but Glaxco believes that its product will prove to be both more effective and more selective.

The new drug is currently undergoing clinical trials and is still about three years away from being put on the market. But Glaxco says that if all goes well, it will be looking for an "important" contribution to its profits from ranitidine once the drug is launched.

Glaxo was one of the pioneers of the cephalosporin group of antibiotics and is understood to have a major, injectible, third-generation cephalosporin under research at present. But this is unlikely to reach the market until 1984 at the very earliest.

Zinacef, the group's successful second-generation cephalosporin, has been launched in a number of markets, including the UK. But it is not yet available in the U.S. and it is not expected to be put on to the important Japanese market for another two years. Glaxo says it is currently concentrating on getting Zinacef and Trandate, its anti-hypertensive heart drug, into more of the world's markets.

Most of Glaxo's resaarch is carried out in the UK with a little being done in Italy and India. The group approaches its pharmaceutical research from the disease end and it is thought within the industry that its fundamental work on cell biology may have great potential, in the longer term, for discovering new antibiotics.

Glaxo's "number one priority" in terms of geographical markets is the U.S., where it acquired a subsidiary, Meyer Laboratories, in 1978. At the start of this year, the Meyer name was changed to Glaxo' Incorporated. Western Europa and Japan are also important for Glaxo sales.

The increase in government ragulations on drug development and on pharmaceutical manufacture is a prime problem for Glaxo, in common with the rest of the industry. The company is also deeply concerned about the "erosion" of the protection given to drugs by patents and trademarks—particularly outside the industrialised countries.

It says "maximum protection in all countries is essential" if research-based concerns like itsalf are to recover their investment.

Excitement over heart drug

CIBA-GEIGY

Pharmaceutical sales in 1979: SWFr 2.730bn (£682.5m)
Pharmaceutical sales as a proportion of total group turnover: 27.6 per cent.
Total research spending—including pharmaceuticals—in 1979: SwFr 824m (£206m)
Estimated research spending on pharmaceuticals alone: $225m (£104m)
Main pharmaceutical research and production areas: cardiovascular drugs; antibiotics; anti-rheumatics; drugs used on the central nervous system; treatments for tropical diseases
Major products on the market: Voltarol—an anti-rheumatic; Trasicor—a group of heart drugs

EXCITEMENT at the Swiss-based Ciba-Geigy group is currently centred on Anturan—an old drug that has been found to have new and dramatic possibilities. The product has been on the market for years as a treatment for gout but now large-scale clinical trials have shown that it can also prevent blood clotting and so substantially reduce the risk of heart attack.

Heart diseaae is the biggest single killer in the Western world. Statistics show that many people die—suddenly—within six months of having a first heart attack, even when they have shown every sign of recovering. Tests of Anturan in the U.S. proved that the drug significantly lowered the number of sudden deaths among people who had had one heart attack. The question Ciba is now trying to answer is whether Anturan could prevent people suffering a first heart attack.

Ciba says the drug could well prove to be a big seller. At present the group has a broadly based range of products, many of them comparatively modest in terms of their turnover. But it reckons that this is, in many ways, a strength for it means that the company is less vulnerable to the effects of patents expiring than some of its competitors. Ciba points out that if a pharmaceutical company is heavily dependent on one product and it is unlucky with its research, the expiry of a patent can be extremely serious.

Some drug producers do find themselves in this position—it is estimated that Tagamet, used against stomach ulcers, may account for as much as 60 per cent of Smith Kline French's sales in a few years' time.

Aside from Anturan, Ciba is looking for further product developments in those therapeutic areas where it is already strong. But it says that significant new discoveries in all sectors of pharmaceutical research will be harder to achieve in the coming years for purely scientific reasons. It also points out that because it now takes longer and costs far more to develop a new drug and bring it to the market—as a result of more stringent regulations—companies are being more cautious about their research.

They are no longer prepared to finance research into a drug which has a small possibility rather than a strong probability of proving successful in medical and marketing terms. Ciba states that pharmaceutical producers are playing safe with research leads—in as far as this is possible in a high risk business. The group adds that this is one of the reasons why the number of new treatments coming onto the market is declining.

As far as geographical markets are concerned, Ciba is particularly hopeful about its prospects for increasing sales in the U.S. and in Japan, where the standard of living is improving and whose large population have been described as "great pill swallowers."

Ciba is also strong in the UK and in certain parts of central Europe. It stresses that the UK is a "very good country in which to invest" and it says it is planning a "significant expansion" in its research activities at one of its existing sites in Britain. The details are expected to be announced next year.

The group is concerned that if the West's long awaited economic downturn proves to be particularly severe, governments may atart looking for ways of cutting spending on medicines.

Major market in U.S.

BOOTS

Pharmaceutical sales for the year ending March 31, 1979: £138m.

Pharmaceutical sales as a proportion of total turnover: 13.1 per cent.

Pharmaceutical research spending £7m.

Main areas of pharmaceutical production and research: anti-rheumatic drugs; cardiovascular drugs; anti-depressants; products for the treatment of gastric disorders and diabetes.

Main products on the market: Brufen and Froben—both anti-rheumatics; Prothiaden—an anti-depressant;

THE UK-BASED Boots is understood to be planning to double its current pharmaceutical research spending—in real terms—during the coming decade. Although the group's present research budget is comparatively small by drug industry standards, Boots has a reputation for running one of the most cost-effective R and D operations in the business.

Its research, most of which is carried out at Nottingham with small amounts done in the U.S., France and Spain, is still geared to the traditional screening of chemical compounds. But the group is said to have two promising new products in its laboratories—one an anti-rheumatic and the other a cardiovascular drug.

The possibility of putting an important new heart drug on the market is particularly exciting for Boots, although research is still at a fairly early stage and even if all goes well there is no likelihood of a launch for at least five years. But the cardiovascular drug market is estimated to be worth something in the region of $9bn a year worldwide. If Boots managed to capture even 3 per cent of this, it would have on its hands a drug as successful as its anti-rheumatic, Brufen.

The company's other big selling anti-rheumatic, Froben, has been successfully launched in Japan, the UK, France and Germany, among other countries and the group is now hoping to obtain the go-ahead to put the product on the U.S. market. The U.S. Food and Drug Administration may give approval next year.

The U.S. is a major market for the company, which is looking for increased sales there. Spain—unusually—is also a "promising" overseas market according to Boots. Many pharmaceutical groups steer clear of Spain on the grounds that Government controls on drug operations there are so stringent as to make it impossible to justify investment.

But Boots acquired a 50 per cent share in Liade some 18 months ago and it says sales of Froben, via the Liade venture, are now going extremely well. It adds that its stake in Liade also gives it some influence in the developing South American pharmaceutical market.

Drugs business forges ahead

HOECHST

Pharmaceutical sales in 1978: DM4.283bn (£1.019bn).

Pharmaceutical sales as a proportion of total group turnover: 17.7 per cent.

Pharmaceutical research spending in 1978: DM440m (£104.7m).

Main pharmaceutical research and production areas: diuretics; drugs for the treatment of diabetese; antibiotics; drugs for the treatment of circulation disorders; psycho-tropics — anti-depressants, tranquillisers; heart drugs; vaccines.

Main pharmaceutical products on the market: Lasic—a diuretic; Daonil and Euglucon—both for the treatment of diabetes; Frisium—a tranquilliser; Mertial—an anti-depressant; Reverin—an antibiotic; Quinto-Virelon—a vaccine; Sergontin—a heart drug.

THE GERMAN-BASED Hoechst is the biggest pharmaceutical company in the world — and it is expecting its drugs business to grow more quickly than many of its other chemical operations over the next few years.

The group's research is directed to diseases and to the study of substances that occur naturally in the body rather than to the more traditional chemo-therapy. It believes this is the approach which all large, sophisticated pharmaceutical groups will have to take—sooner or later—leaving the screening of chemical componds to some of their smaller competitors. The group has discovered a way of synthesising insulin — although this achievement has not yet led to a new product on the market.

Hoechst is looking for growth from some of its psycho-active drugs, such as Frisium. This is a tranquilliser which works without slowing down or otherwise impairing a patient's movements — which means people can take it and still safely drive or undertake other mechanical tasks.

Germany is still Hoechst's most important pharmaceutical market, accounting for some 35 per cent of the group's sales. But the drugs giant says the U.S. and Japan—particularly the latter—are expected to provide an increasing contribution to its business.

The Japanese pharmaceuticals market is smaller than that of the U.S., but Hoechst says it has already passed America in terms of both sales and profits for the group. Hoechst points out that Japan is a newer drugs market than that of the U.S. and there is therefore more growth to be had there. On the other hand the sheer size of the U.S. market "will tell."

South America is also expected to provide a larger market for Hoechst pharmaceutiecals as its medical services and its distribution systems grow and improve—although this will only happen in the longer term. Western Europe continues to be an important outlet for the group's drugs although Hoechst complains of "excessive Government controls in Spain and Italy."

The group says the general increase in national regulations on drugs and their development is already hampering innovative pharmaceutical research. At one time around 50 per cent of Hoechst's research work on drugs was devoted to totally new products and the rest to non-innovative improvements and refinements on existing pharmoceuticals. Today only 25 per cent of its research effort is put into new discoveries.

It stresses that this is not because of any change in its own policy—it has been forced to spend less on break-through medicines because of the extra time and cost required to bring a drug to the marketplace.

Hoechst adds that it is in an excellent position to withstand the increasing regulatory burden the industry has to bear because of its size. But it warns that present trends on patent lives, safety-testing and the data required by national authorities will lead to less competition in pharmaceuticals and could well "crucify" some of the smaller drug companies.

Hoping to double market share

ICI

Pharmaceutical sales in 1979: £317m.

Pharmaceutical sales as a proportion of total group turnover: 5.9 per cent.

Pharmaceutical research spending in 1979: £40m.

Main pharmaceutical research and production areas: cardio-vascular drugs; painkillers; tranquillisers; cancer; antiseptics.

Major products on the market: Tenormin and Inderal—both heart drugs; Novadex—used to treat advanced breast cancer; Hibitane—a group of antiseptics.

ICI is hoping to double its share of the world pharmaceutical market by the end of this decade. It currently holds just over 1 per cent of the £25bn world market but its share is expected to be boosted considerably once it is authorised to launch its successful heart drug, Tenormin, in the U.S.

The group's other major heart drug, Inderal, outsells all other beta blockers but it is coming to the end of its patent life—the patent has already expired in the UK. Tenormin has therefore made its appearance at a timely moment—especially as sales of beta blockers are starting to grow rapidly in the U.S., the largest single pharmaceuticol market in the world.

But ICI believes it may have some more aces up its sleeve as far as new drugs are concerned. An extremely high proportion of its pharmaceutical research budget is being spent on drugs for the central nervous system, including tranquilisers and painkillers. ICI has no substantial position in this field but it is trying to establish one.

The group says that generally it has "several interesting compounds" in the pipeline. One of these is a drug similar to Tagamet, the Smith Kline French product used against ulcers and now one of the biggest sellers of all.

Aside from the U.S., European countries such as Germany, France and Italy are all-important geographical markets for ICI and it also has a firm foothold in Japan, the second-largest pharmaceutical market in the world and still expanding fast.

ICI has a major shareholding in a joint venture set up with the Japanese-based Sumitomo group in 1974. There is evidence that Western countries that have co-operated with Japanese concerns in the pharmaceuticals field stand a far better chance of being able to take advantage of market opportunities there than those that go in "cold."

Within Europe, ICI feels there is still plenty of room for increasing sales, particularly sales of beta blockers. In Northern Europe — the UK, Sweden, Holland—beta blockers account for up to 45 per cent of the market for drugs for high blood pressure and heart problems. But further south there is a strong preference for older products, such as peripheral vasco dilators.

ICI is therefore engaged on convincing the Italian and German medical professions of the scientific rationale for using more beta blockers.

ICI's biggest problems on the pharmaceuticals front are the increasing regulatory delays involved in bringing a new drug to the market, and the present strength of sterling. More than 70 per cent of the group's sales are overseas and in 1979 its trading profit on pharmaceuticals dropped from £68m to £66m even though sales rose by £24m. The reason was mainly the strong pound.

Yet ICI has the consolation of knowing that other countries with strong, innovative pharmeceutical industries — such as Germany and Switzerland—also tend to have strong currencies.

The growing demands of regulatory bodies in all developed countries are a bugbear for the entire industry—not just ICI. The UK-based group's response to the peculiarly tough rules governing permission to start clinical trials in Britain has been to carry out the initial testing of new drugs on people in other Continental countries.

On a world-wide basis, ICI is also angered by the seeming inability of governments to set up the necessary bodies to handle al the extra data they demand.

Pharmaceuticals are becom- ICI as a group—apart from anything else, drugs are not utterly dependent on oil-based feedstocks in the way that fibres and plastics are. It is possible that by the end of the 1980s, pharmaceuticals will account for a bigger share of ICI's total business. The group's pharmaceutical operations will certainly have to grow at a high rate if it is to win a 2 per cent share of the world market.

Group to broaden range

ELI LILLY

Pharmaceutical sales in 1979: $1.003bn (£466m).

Pharmaceutical sales as a proportion of total group turnover: 47 per cent.

Pharmaceutical research spending in 1979: $175m (£81m).

Main pharmaceutical research and production areas: drugs for use on the central nervous system; cancer; antibiotics; anti-arthritic drugs.

Major pharmaceutical products on the market: Keflex and Distaclor — both ... antibiotics; Penicillin V-K—also an antibiotic; Oncovin—for the treatment of cancer; Distalgesic—a pain killer; Fenoprou and Distamine—both anti-arthritic drugs.

A LARGE slice of the U.S.-based Eli Lilly's pharmaceutical research budget is currently begin devoted to broadening the group's range of medicines—a range in which antibiotics have featured heavily in the past.

The company is concentrating on disease mechanisms and molecular biology rather than the traditional screening of chemicals. It is now looking at recombinant DNA technology, better known as genetic-engineering, with a view to developing human insulin initially—Lilly was one of the first producers of commercial insulin and still holds a substantial share of the U.S. market for insulin.

The group is also looking at cardiovascular disease, virus infections and mental diseases. It is understood to have a number of new drugs in the research pipeline—mainly in its better established therapeutic areas—

One reason why Lilly is speeding substantial sums on its research is that it believes pharmaceutical groups which fail to keep abreast of the leaders in developing new products could find themselves out of the race.

As well as placing greater emphasis on its research, Lilly is also trying to increase its share of overseas markets.

The UK is Lilly's second largest area of operations outside the U.S. At present some 55 per cent of the group's UK output is exported—mainly to the Middle East and to other European countries.

Strong U.S. links

HOFFMAN-LA ROCHE

Pharmaceutical sales in 1978: SwFr 2.325bn (£581m).

Pharmaceutical sales as a proportion of total turnover: 48 per cent.

Pharmaceutical research spending: SwFr 636m (£159m).

Main areas of pharmaceutical production and research: drugs for use on the central nervous system, including tranquillisers and sleeping pills; cardiovascular drugs; drugs for the treatment of rheumatism and inflammatory diseases; drugs for use against tropical diseases.

Major products on the market: Valium and Librium—both tranquillisers; Mogadon and Rohypnol—both sleeping pills; Bactrim — an anti-infective agent; Radanil — used against Chagn's disease, a South American form of sleeping sickness; Rocaltrol—used to prevent any weakening of the bone structure in patients who have renal dialysis.

SWISS-BASED ROCHE is keeping an eye open for a possible acquisition in the U.S., its most important pharmaceuticals market. The group says it is not frantically searching for a purchase in the U.S. but it would certainly be interested if a suitable buy presented itself.

Roche is already in a strong position in the U.S. It is believed that the Americans probably accounted for between 40 per cent and 50 per cent of its pharmaceutical sales worldwide in 1978, the latest year for which figures are available. But its good performance in the U.S. has been largely based on sales of its tranquillisers, Librium and Valium—in all likelihood the two drugs that are best known to the general public.

Yet growth in the sales of both tranquillisers—particularly Librium which is coming to the end of its patent life in many countries—is now starting to slacken in the U.S. and in other parts of the world. Roche is therefore keen to widen its U.S. product range. It believes its prospects there are good but admits that they depend on the group's ability to introduce new drugs on to the American market.

Roche is also looking for increased sales of its pharmaceutical products in Western Europe and in Japan, where it has a research centre at Kamakura.

The company's research is centred at Basle in Switzerland, at Nutley, New Jersey, in the U.S. and at Welwyn Garden City. It also funds basic research —with all findings being published—into immunology and molecular biology at Basle and at Nutley. Its research approach is geared to studying natural organisms and the body's natural defences. But it admits that it has little in the way of new products in its laboratories at present.

It expects its mainstays over the next few years to be its benzodiazipines, such as Valium and Mogadon. It proudly points to Valium as one of the world's great drug success stories, adding that the product can be used to treat epileptics—it has muscle relaxant properties—as well as those suffering from stress and anxiety.

Research budget up 21pc

MERCK

Pharmaceutical sales in 1979: $1.658bn (£771m).

Pharmaceutical sales as a proportion of total group turnover: 69.5 per cent.

Pharmaceutical research spending in 1979: $188m (£87.4m).

Main pharmaceutical research and production areas: heart drugs; anti-arthritic drugs; anti-depressants; treatment of Parkinson's disease; vaccines.

Major products on the market: Indocid and Clinoril—both used against arthritis; Aldomet and Moduretic—used to treat the high blood pressure that can often lead to heart disease; Mefoxin—a broad spectrum antibiotic; Tryptizol—an anti-depressant; Timoptic—used to treat glaucoma.

THE U.S.-BASED MERCK, better known in the UK under the name of its subsidiary, Merck Sharp and Dohme, is increasing its research spending by 21 per cent this year to $227m. The move reflects the breadth of the group's pharmaceutical operations and its determination to establish itself as the "pre-eminent drugmaker, worldwide, in the 1980s."

The group now has a peculiarly strong record on innovation. Its achievements during the last few years in the research field were perhaps spurred by the disastrous decade of 1965 to 1975 when it failed to produce any important new drugs.

At the same time, it was heavily dependent on Aldomet and Indocid for its profits and both were approaching the end of their patent lives. But Merck then changed its research method and in the last 18 months alone it has had to cope with what it describes as a "wave" of product launches in various parts of the world.

Traditionally, researchers screened thousands of chemical compounds in the hope that one or two would prove to be useful drugs. Today Merck scientists concentrate instead on the study of disease and the body's natural defences against it. They believe that an understanding of disease makes the development of a cure far easier.

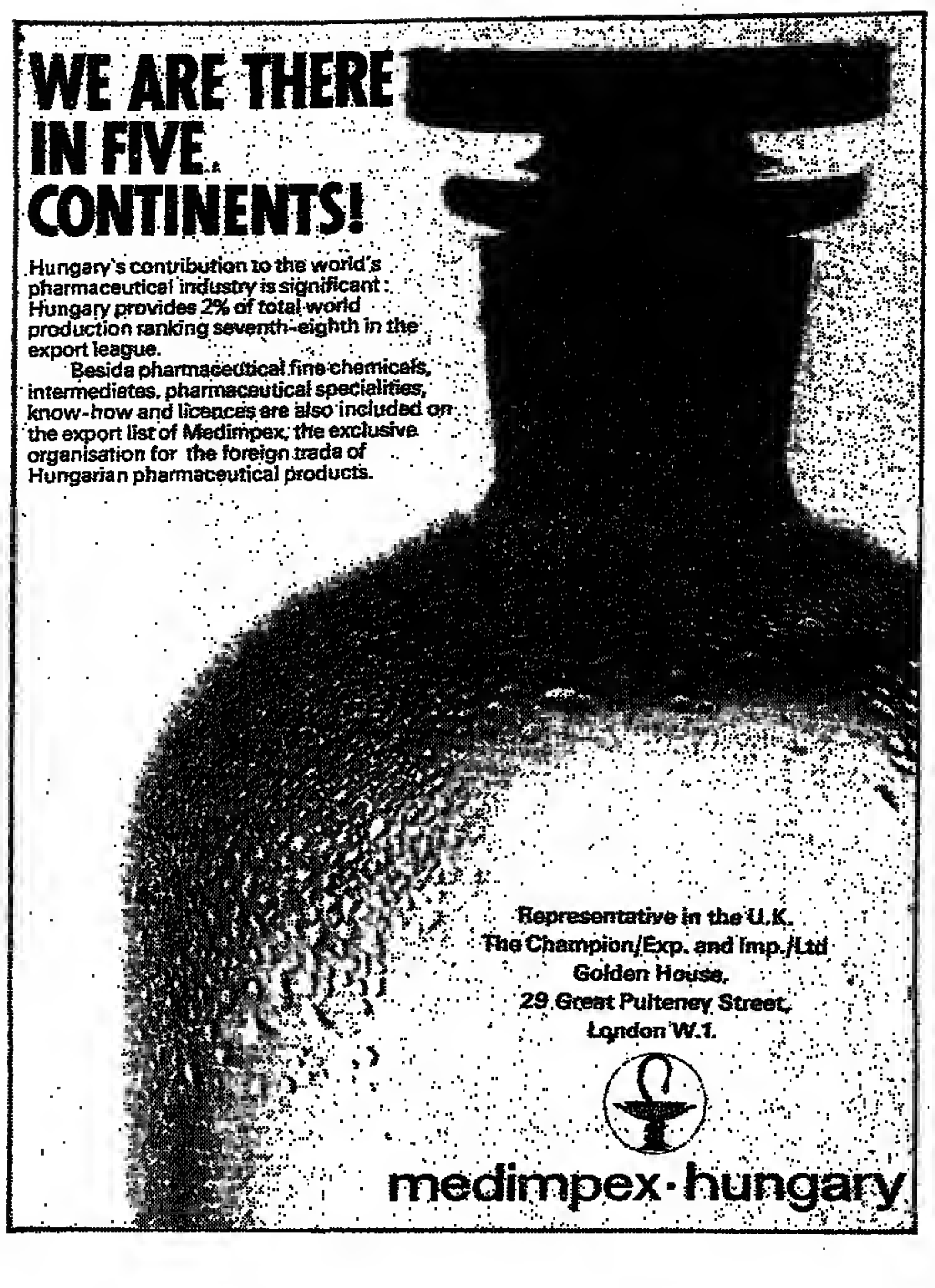
Merck is far from being the only company to adopt this approach to research but it is perhaps more strongly committed to it than most of its competitors. The results appear to be impressive.

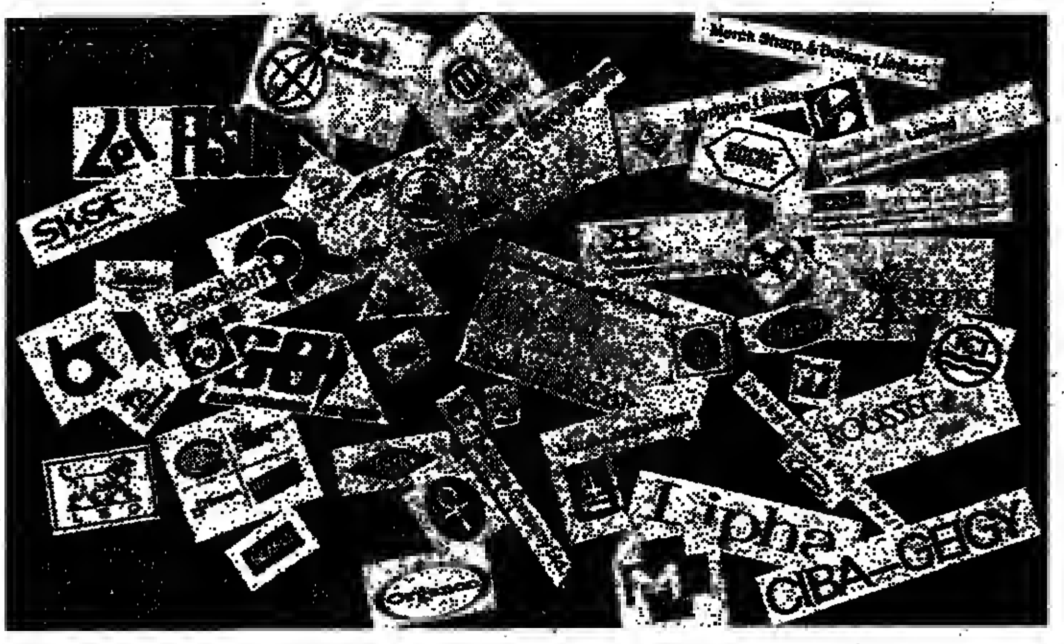
Clinoril, the anti-arthritic drug, is estimated to have had higher sales than any other new proprietary medicines when it was first launched in the U.S. in 1978. This year the group is planning to introduce at least four new drugs to the American market, including Moduretic, one of Merck's fastest-growing products outside the U.S.

Five products are due to be launched outside the U.S. this year and Merck claims to have a series of strong possibilities in the pipeline.

A vaccine against serum hepatitis is undergoing clinical trials in the U.S. and Merck says the development of a vaccine for infectious hepatitis is now feasible. The group is also preparing to launch a new product for the treatment of dry-eye syndrome.

Just over half of Merck's total sales are outside the U.S. but the group says its share of the total pharmaceuticals market is "still relatively small in many significant therapeutic and geographic areas." It is thought to have about 5 per cent of the U.S. market and less than 1 per cent of some of the other major drug markets outside America. It reckons that opportunities for growth are "very great," particularly in Japan, Australia, New Zealand and Brazil.





UK expansion likely

SANDOZ

Pharmaceutical sales in 1979: SwFr 2.133bn (£624m).

Pharmaceutical sales as a proportion of total turnover: 48 per cent.

Pharmaceutical research spending: estimated at £81m.

Main areas of pharmaceutical production and research: cardiovascular drugs; psychotropics; painkillers; endocrinology; drugs for the treatment of asthma.

Major products on the market: Visken and Viskoldix—both cardio-vascular drugs; Parlodel—for fertility problems; Sandomigran—for treating migraine; Zaditen—for asthma.

The Swiss-based Sandoz estimates it now costs more than £22m and 1,500 man-years to bring a new drug on to the market. It says the growth of "well-intentioned regulations" on the testing and registration of drugs is effectively putting up barriers against the development and marketing of new medicines.

Sandoz states that regulatory hurdles are worst in the U.S. but even in the UK it takes one to two years to have a new drug registered. Like other companies in the pharmaceutical industry, it believes that the biggest problem is understaffing in drug-regulating bodies such as the UK's Committee on the Safety of Medicines.

The U.S. is the Sandoz group's largest market and is estimated to be nearly three times greater than the group's other major markets — West Germany, France, Japan and Switzerland. The UK is still a comparatively small market for Sandoz' pharmaceuticals but the group says it is now "giving more attention to Britain than before."

It is looking "favourably" on the UK in terms of investment—despite Britain's economic problems. But it says that Government efforts to restrict and reduce spending on the marketing of new drugs "squeezes middle-sized companies like ourselves."

The group's research, which is concentrated in the U.S., Switzerland and Austria with a fairly high proportion of clinical trials being carried out in the UK, is oriented to various disease areas rather than to the traditional screening of chemical compounds.

At present Sandoz is looking into the whole field of immunology in addition to its other, well-established research field. Its cyclosporin A, which is designed to overcome rejection problems after transplant operations, is currently undergoing clinical trials in the UK and in a number of other countries.

Two sources of research

THE WELLCOME FOUNDATION

Estimated pharmaceutical sales in 1979: £330m

Pharmaceutical sales as a proportion of group turnover — estimated: 80 per cent

Estimated pharmaceutical research spending: £37m

Main pharmaceutical research and production areas: vaccines; cardiovascular drugs; treatments for tropical diseases; cancer; anti-virals; drugs for the treatment of gout; antibiotics; anti-arthritic drugs; painkillers

Main pharmaceutical products on the market: Septrin — an antibiotic; Zyloric — used against gout and arthritis; Cicatrin — a drug for skin infections; Lanoxin — heart drug; Imuran — used in organ transplant operations

THE UK-BASED Wellcome Foundation spends an extremely high proportion of its income on research and development—partly because of its unusual, if not unique, tradition as a major pharmaceutical company. Basically, the group operates much like any other but, under the will of Sir Henry Wellcome, all its shares are owned by the Wellcome Trust which puts all the money it receives from the Foundation into the support of medical research around the world.

The research activities of the Trust and the Foundation—the former is a registered charity—are run on completely different lines and are quite independent of each other. But the historical link between them perhaps explains the breadth of the Wellcome Foundation's pharmaceutical research and the emphasis it places on Third World markets.

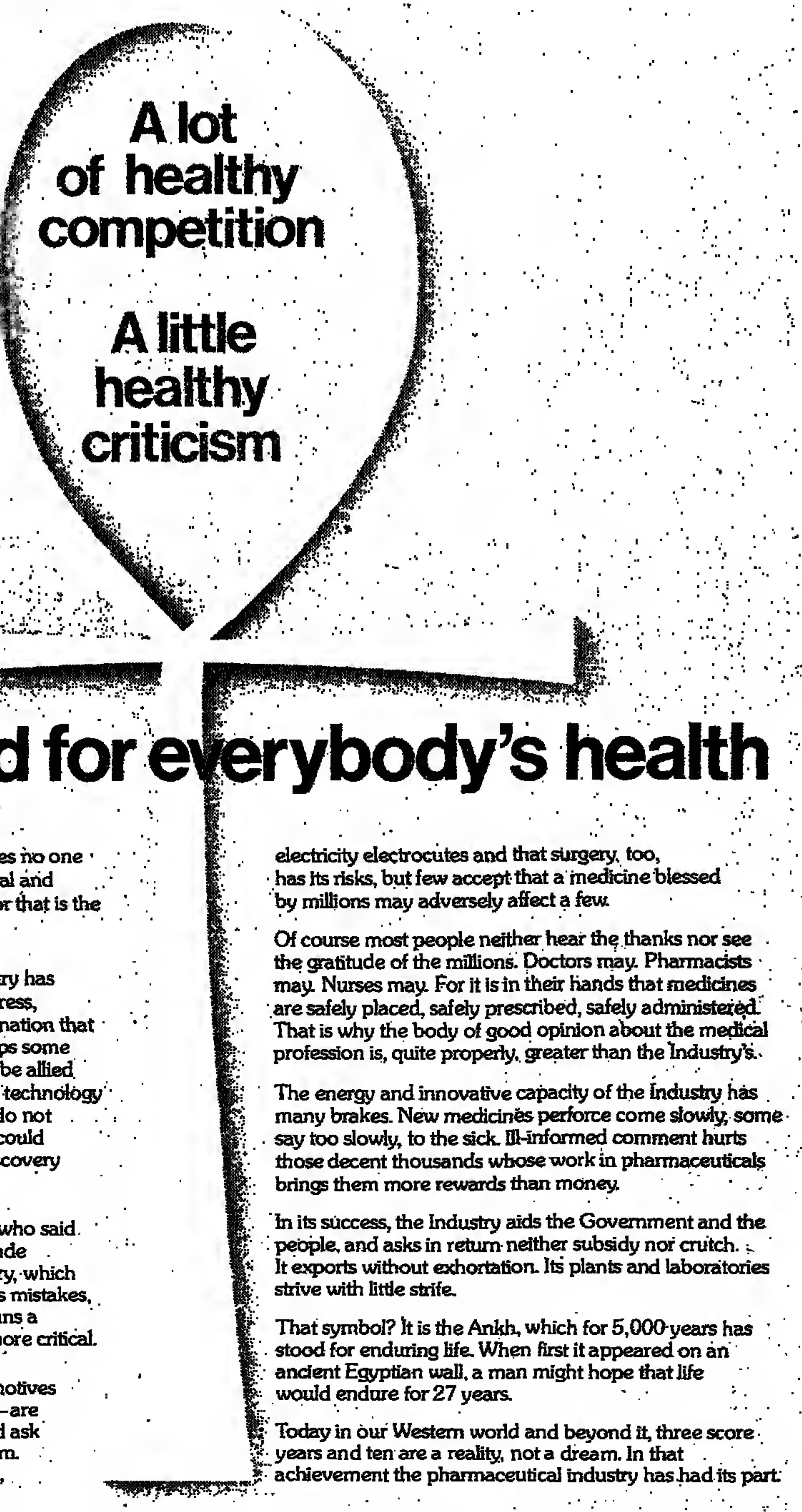
It collaborates with the World Health Organisation on research and at present it is looking at two new vaccines against tropical diseases—one of them for use against malaria. It also has a promising anti-viral drug undergoing clinical trials and if all goes well it will be marketed under the name Zovirax. It is hoped that Zovirax will prove to be not only highly effective but also particularly safe because, as Wellcome puts it, "it causes the virus to commit suicide without destroying the cell."

The company is looking at a new immuno-suppressant for cancer patients who subsequently develop one of the Herpes diseases, such as cold sores or shingles. In addition, it is looking at a new generation prostacyclin, the prostaglandin which prevents the formation of blood clots in the arteries and which is used in the treatment of cardiovascular diseases. The Wellcome Foundation, whose research is geared to both traditional chemo-therapy and the synthesising of the body's natural defences, is also working on interferon.

The company is particularly strong in Australasia although it has subsidiaries and offices in over 50 countries. It believes that as Third World countries develop their medical and pharmaceutical services, it will be in a particularly good position to open up the new and larger markets they will provide for its drugs.

The Wellcome Foundation's history and tradition may cause it to take "a more altruistic view" of Third World diseases than some of its more conventional competitors in the pharmaceutical industry, but it suffers from the same problems as they do. Its chief complaint is the growth of regulations on safety testing—throughout the world.

Some companies refuse to break down their figures for pharmaceutical and veterinary products. Roche pharmaceutical figures do not include its substantial vitamins business.



Discount price war claims casualties

The pharmaceutical distribution chain looks set for a period of rationalisation. With the number of High Street chemists continuing to fall and casualties expected shortly among the wholesalers as a result of a fierce discount price war.

Although the net reduction in the number of small chemist shops appears to have peaked in 1975 and despite the fact that chemists appear to be the only beneficiaries of the current wholesale price war, the longer-term fortunes of the retailers appear to be bound up with those of the wholesalers.

The root cause of the current turmoil within the wholesaling sector is the breakdown of the retail price maintenance system over the past two years, and the emergence of a cut-throat price discounting war. The resale price maintenance system (RPM)—which legally at least is still operating—banned pharmaceutical wholesalers and retailers from selling medicines at lower prices than those laid down by the manufacturers.

RPM was abolished for nearly all goods in 1974 but its continued use for drugs was upheld—at the request of the manufacturers—by the Restrictive Practices Court in 1970. The main argument put before the court was that RPM ensured a better service. Fears expressed at the time that its abolition might lead to a price war between wholesalers, who would then reduce the number of deliveries to chemists and stop stocking some slower moving rarer drugs, thus reducing patient service, could now become a reality.

These arguments are still supported by the major drug companies like Smith Kline, Swiss based Hoffmann La Roche, Glaxo and Beecham. Some companies also argue that the system is in the interests of retail chemists particularly in the field of across-the-counter or non-prescriptive drugs.

With the blessing of successive governments these drugs now represent a £320m a year market in the UK and, it is claimed, play a major role in easing the burden on the already overstretched resources of the National Health Service and the general practitioner in particular.

The danger now seen by some is that the breakdown of retail price maintenance could lead to undercutting by the big supermarkets and multiples, further eroding the competitive position oft he High Street chemist shop.

A survey published in February showed that although the rate of decline in the number of small chemist shops has slowed from a peak in 1975 when there was a net reduction of 288, the net reduction last year was still about 100.

The multiples' higher volume of trade enables them to offer lower prices as well as improving their ability to secure bulk-buy discounts. The major problem of RPM either direct from the manufacturer or through the wholesaler has always been that of policing the system. Few wholesalers have openely actually broken the system, but in increasing numbers they have managed to find loopholes in it. Some offer longer credit periods or extra goods while others have offered discount non-RPM goods as part of an overall package.

Not new

Wholesalers' discounts are, however not new. Some "cowboy" operators have been around since about 1970. It is only in the past few years that major wholesalers such as Vestric, Barclay, Sangers and Macarthys have joined in. Unichem, a chemists' co-operative, has run a type of discount scheme—based on redistributing profits to members as a dividend—for some time. Nevertheless several factors have now brought the issue to a head. Not least of these was the publication last November of a report on the payment of retail chemists for the Department of Health.

The report, prepared by the Independent Profit Assessment Panel as part of an evaluation of how much chemists should be paid for dispensing NHS prescriptions, effectively declared that retail price maintenance was dead.

The report recognised that, despite continued resistance from the manufacturers, RPM had finally gone by the board. The panel estimated that wholesale discounts on medicines may already be worth about £26m to retail chemists in England and Wales.

Once allowances have been made for small rural chemists without the turnover to justify big discounts, the panel concluded that an average sized independent chemist should be able to obtain an average rate of discount of about 5 per cent. It was on this basis that the £26m figure was calculated.

The importance of the figure to the Department was that the size of discounts had not been reflected in payments to chemists for prescriptions. Chemists remained the main beneficiaries of the discount system.

The main recommendation of the panel was that chemists should be allowed a 27 per cent return on capital employed instead of 16 per cent. This would be worth about £16m a year to retail chemists but if they have been "overpaid" by £26m a year because of discounts the recommendations would leave them worse off.

Although the figures contained in the report are the subject of much disagreement between chemists, wholesalers and the Government, the report did provide the first real insight into the changed relationship within the industry.

Since then the Government has accepted the panel's recommendation that an inquiry into wholesaling discounts ought to be set up.

In addition, drug manufacturers have stepped up their pressure on wholesalers in an attempt to enforce the apparently doomed RPM system.

Most observers feel however that such moves are unlikely to succeed and that, although most wholesalers would like some form of rationalised discount system, the pressure on smaller wholesalers' profit margins—where volume sales cannot be increased—is more likely to lead to some going to the wall.

P.T.

Drug research is cost effective

A REPORT last year from the Office of Health Economics (OHE), "think tank" of the Association of the British Pharmaceutical Industry, argued that incentives to innovate in drug development would be a more effective way of attacking the soaring costs of health care than any attempt to ration the technological resources of the National Health Service.* Rationing of resources would stifle innovation in the more advanced areas of medical innovation in Britain. Rationing would also increase the bureaucracy of health care, it said.

The OHE report followed hard upon a report from the Advisory Council on Applied Research and Development (ACARD), the Government's scientific advisers, urging it to heed more closely the way its main overseas trading rivals are encouraging their industries to innovate.** A recurring theme in several ACARD reports in recent months is that in the technologically advanced industries Britain tends to think much too narrowly of its domestic needs and constraints — to the detriment of its export opportunities.

A choice

The OHE, since its creation in 1962, has conducted many dispassionate investigations of highly emotional aspects of health care. In its study of health care resources it finds that the Government has a choice between having the latest technologies available unevenly throughout the National Health Service, owing to their novelty as well as their cost, or of risking that Britain will fall behind in the development of medical technology. Rationing works only when there are fair shares for all. In health care, individual needs vary too widely for so simplistic an approach.

The OHE researchers point out that shortages in advanced techniques are created by innovation itself. Before hip-joint replacement and the artificial kidney were developed there was no demand. The very latest drug or technique can never be made available to more than a small proportion of those who might benefit.

Similarly, the researchers find much of the controversy over drug prices in the past two decades "misguided" because it has focused on attempts to restrict the profits of the multinational companies which are innovating in this field. They believe a more beneficial approach in conserving health care resources would be to encourage and reward drug innovation, as a more cost-effective way of treating illness than surgery and related techniques.

They cite the way drugs for treating TB and other infectious diseases in the early days of the health service brought enormously cost-effective treatments to health care. They claim evidence that these successes are being repeated today, in the treatment of diseases which previously needed complicated surgery, such as gallstones, brain abscess and stomach ulcers.

The introduction of cimetidine as a treatment of peptic ulcers in 1976 may prove to be the most rewarding of all British drug invention. The discovery was made by Professor James Black, Dr. W. A. Duncan and their group at the Smith Kline and French Research Institute in Britain. Previously, treatment had depended upon alterations in diet, bed rest, and palliative drugs such as antacids and absorbents. When this failed, it usually meant surgery and, often, serious after-effects.

From a search of about 700 compounds, Black, Duncan and Co. found two agents which block acid secretion in the stomach. Cimetidene, the one they chose, was the first histamin H2-antagonist to be marketed. It is reported that the drug marketed as Tagamet, added £150m to Smith Kline's income in 1978, virtually doubling the group's pharmaceutical sales. It has also produced a new term in U.S. financial circles—"tagamania," meaning the search for the drug company with the next big innovation. (This could well be a drug that helps to restore the powers of memory and reasoning in the elderly.)

Tagamet was innovative in another way, too. It was made available by the research institute for three years before being placed on the market. As a result, by 1976 there were over 700 scientific papers available and the results of clinical trials on more than 1,700 patients. The evidence, then and since, is that it is a remarkably safe drug, very specific in its action, with few side effects.

Another UK discovery which greatly excited the stockmarket was Intal, Fisons' prophylactic treatment for asthma. It employed a new drug, sodium cromoglycate, delivered by a new method, a dispenser which blows a fine powder straight into the lungs. The drug reduces the effect of the allergic reactions which release agents that constrict the bronchi.

Professor Black was closely associated with a major British discovery for the treatment of angina pectoris, the severe chest pain consequent upon a narrowing of the main arteries of the heart and other irregularities of this organ. This was ICI's discovery of the beta-andrenoceptor blocking agents or "beta-blockers," which reduce the heart rate and increase the amount of exercise a patient can take without suffering pain.

The first, propanolol, also turned out to be a useful drug for treating high blood pressure; and, still more significantly, one which helped medical science to explain the function of noradrenaline, the natural heart stimulant whose action it blocks.

ICI's elevation to the ranks of the big four British-owned pharmaceutical groups followed its discovery of halothane, one of the biggest advances ever made in anaesthesia.

For Beecham, the breakthrough commercially was its work on the semi-synthetic penicillins. These followed the work Sir Ernst Chain and H. W. Florey began at Oxford University just before World War II, which led to publication of the first experiments on the isolation and development of penicillin in 1940.

First cousins

Britain failed to capitalise upon this development, but learned from its mistake when a fresh opportunity arose after the war, with the discovery in the same laboratory at Oxford of a family of beta-lactam antibiotics called the cephalosporins. They turned out to be "first cousins" to the penicillins.

The cephalosporins today have annual sales worldwide exceeding £600m. They are non-toxic drugs, resembling the penicillins in some — but not all — of their properties. They can be used safely for most patients who react adversely to penicillins. Glaxo in Britain, Eli Lilly in the U.S., and Fujisawa in Japan are the main companies behind their development. Britain, through the National Research Development Corporation, has earned over £70m in royalties from the development of compounds and processes based upon this discovery.

One further area of British innovation is noteworthy for the success it has achieved in competition with the privately-owned pharmaceutical groups. This is the Radiochemical Centre, wholly State-owned by the UK Atomic Energy Authority, but competing worldwide. More than 80 per cent of sales of radio-active substances which will exceed £40m this year are earned outside the UK. More than four-fifths of its earnings are from radio-pharmaceuticals and kits used in diagnosing disease, or from radiochemicals mainly used for research in the life sciences. In each case its chief competition comes from the drug companies.

The Radiochemical Centre is a research-based company reinvesting a proportion of turnover typical of the pharmaceutical industry in research and development. It has established itself as market leader with its diagnostic kits for radio-immunoassay in obstetrics and gynaecology.

**Scarce resources in health care*, OHE publication No. 64, 35p.

***Industrial innovation*, HMSO, £1.

David Fishlock

Most pharmaceutical companies now spend between 8 and 14 per cent of their turnover on research and development

Biotechnology: a new British industry

A REPORT from the Government's scientific advisers earlier this month, urging support at a crucial stage in the development of what they perceive as a major new industry for Britain, summaries concisely its prospects for new drugs. Through biotechnology, the fruits of research in "genetic engineering"—in which the genetic material (DNA) of micro-organisms is modified—will be harvested as new medical products.

"An immediate and valuable prospect for recombinant DNA research is the production of new, cheap, safe vaccines for viral diseases of man and animals including some, such as hepatitis, not yet challenged effectively. Even when a vaccine is already in production, the existing methods of antigen preparation will be much simpler and cheaper and the products will be purer and less hazardous."

The scientific advisers, led by Dr. Alfred Spinks, a pharmacologist and former research director of ICI, point to progress in Britain towards a vaccine for hepatitis B; to prospects for microbial enzymes in treating chronic or physiological disorders, and inborn errors of metabolism; to cultivation of antibody immunoglobins as precise and sensitive analytical tools for diagnosing diseases; end to the manufacture of new synthetic drugs of a complexity beyond reach of conventional chemistry.

In some of these areas, notably that of antibody immunoglobins, British research is right at the forefront of medical science and ripe for further development.

In January, the Luxembourg-based research company Biogen, founded by an international group of scientists, and backed by Schering-Plough and International Nickel, announced the success of experiments in genetic engineering which could lead to the manufacture of interferon. This is a powerful natural protein which has shown promise as a treatment for cancer and viral infections, and as a drug to help transplant recipients survive.

If the experiments of Biogen's backers and of several of the established drug companies are successful, pure man-made interferon cultivated from genetically modified organisms could be one of the first products of recombinant DNA research to reach the market.

But hard on its heels is a vaccine against influenza. Late last year, Searle Research Laboratories in High Wycombe reported success in transplanting a key viral gene into bacteria, as a major step towards a genetically engineered organism to breed the drug. From Edinburgh University at the same time came news of success in transplanting the genes from the hepatitis B virus into bacteria.

Vigorous

Dr. William Hubbard, president of Upjohn, speaking in London recently, summarised the current industrial interest in genetic engineering, a pattern which he found "reminiscent of the development of electronically based entrepreneurial research corporations" in the '50s. Among companies with a strong pharmaceutical interest he cited Genentech, near San Francisco, which in collaboration with Eli Lilley has announced success with a way of making human insulin. Hoffmann-La Roche, Merck Sharpe and Dohme, ICI, Searle, Eli Lilley and Upjohn were "all engaged in vigorous development of their own research and development capability," said Dr. Hubbard.

A recent survey of research and development by the three main German chemical groups in Chemical and Engineering News suggests a high level of interest in the new technology in all three companies. Dr. Klaus Weissermel, research director of Hoechst, is quoted as saying: "It will take time, of course. But this is normal when you begin in any new field. Our hope is that some of our future synthetic workers will be bacteria." Hoechst claims some success from its synthetic peptides research group in a genetically engineered route to insulin.

But Dr. Hubbard also elucidated some of the problems foreseen by the pharmaceutical industry in exploiting the new technology. High on his list was the problem of patents. Can an organism modified by genetic manipulation be protected by patents as a new chemical entity can? U.S. General Electric is trying to patent an organism its scientists have modified to make it feed avivdly on oil.

Stanford University, which developed the transplant technology used to slice up and recombine the genetic material, is trying to patent the restriction enzymes used to slice and sew up DNA. If Stanford is successful, all drug companies may have to pay a royalty to the U.S. university.

Dr. Hubbard ventured the view that it would be "a very long time" before the patent questions were resolved.

Meanwhile the industry is proceeding in a "state of the art" frame of reference—not seeking patents on donor or carrier organisms or on the modified organism. This is analogous to the situation already commonplace in the chemical industry, where improvements in process are rarely patented.

Regulation of experiments in genetic engineering, on the grounds that such experiments could yield pathogenic organisms against which man (or other living things) has no natural defence, is another worry of the drug industry at the moment. The report on biotechnology from the British Government's scientific advisers—who include Sir William Henderson, chairman of the Genetic Manipulation Advisory Group (GMAG), the Government's watchdog on hazards from the new technology—makes it plain that the fears raised initially by research workers in the field have proved largely unfounded, as the researchers gained a better understanding of the mechanisms they were modifying.

The report urges GMAG and the Health and Safety Executive to "continue as rapidly as possible to reduce constraints upon genetic manipulation experiments while maintaining an adequate degree of safety." It applauds the special attention GMAG is giving to procedures designed to encourage industrial application; and also the continuing study by GMAG of biological containment, aimed at reducing the requirements for physical containment of the new processes.

But it warns of its worries with the draft EEC Directive on genetic manipulation which, if agreed in its present form, "wour create, on the basis of premises now known to be mistaken, a slow and inflexible system of controls both for experiments and the use of products of genetic manipulation."

Potential products from the application of genetic manipulation to biotechnology range widely throughout the fields of therapy, prophylaxis and diagnosis. Interferon—a substance with which, among British companies, Burroughs Wellcome alone has persevered since its discovery in 1957—is one of the most exciting prospective products of the new technology. The Department of Biochemistry at Imperial College in London has just disclosed plans to set up a pilot plant to make interferon by genetic engineering.

Nor, in the view of Sir William Henderson, chairman of GMAG, should one overlook the big potential for genetic engineering in making new animal vaccines, to treat diseases which are endemic in herds elsewhere in the world.

One further example is the world lead a Cambridge research group has given Britain in making antibody immunoglobins, especially valuable at present in diagnosis but potentially of great interest for treating chronic and inborn disease.

A plan to create a company based on this world-famous team of "genetic engineers" is expected to be put before the directors of the National Enterprise Board within a few weeks. The plan, which has been taking shape for nearly a year, involves the Laboratory of Molecular Biology, funded by The Medical Research Council It envisages a research-based company structured to offer large manufacturing companies—such as pharmaceutical firms—an export service in the new technology of gentic engineering.

D.F.

Liaison between doctor and chemist grows stronger

THE PHARMACIST sees himself as the natural partner of the doctor in monitoring the high-technology products of the pharmaceutical industry. A small proportion of registered pharmacists in Britain, about 5 per cent, work for the drug industry itself. The great majority, 62 per cent, are in general practice in retail pharmacies, dispensing the drugs that doctors prescribe.

Auditing the continuing professional competence of members of a learned society is a problem many professions have begun to tackle as the pace of change accelerates. Pharmacists are no exception, and in fact see their role expanding rapidly as the National Health Service encourages them to shoulder an increasing part of the country's health care.

But with the British Medical Association watching suspiciously for any serious encroachment upon the doctor's traditional preserves, the pharmacists feel it is doubly important to ensure that they are abreast of the latest advances in drug therapy.

Immersed

A man who is immersed in the problems of the Britsih pharmacist is Mr. David Sharpe, president of the Pharmaceutical Society of Great Britain, a learned society representing the 31,700 registered pharmacists. The society is required by law to keep the register of pharmaceutical chemists — those lagally qualified to practise pharmacy; and a register of premises, the roll of about 11,000 chemist shops in Britain. The society also has responsibility for enforcing laws controlling the conduct of pharmacies, and the sale of medicines and poisons.

The Department of Health earlier this year agreed to provide £21,300 towards the cost of a self-audit of competence among practising pharmacists.

With over 6,000 owner-managed pharmacies in Britain, the profession has a strong entrepreneurial edge. Mr. Sharpe himself represents this facet of the profession, as managing director of Cory Brothers, a London hospital supplier with a £4m turnover. The company also has a pharmacy in north London; a "listening post," as Mr. Sharpe sees it, for the needs of the retail end of the business.

The retail business in Britain ranges from chains such as those of Boots (with 1,100 chemist shops), through Gordon Drummond, Kingswood and Savory and Moore, each having a few scores of shops, to the one-pharmacist premises.

According to the Pharmaceutical Society, some 6m people use these chemists shops every day, seeking medicines, dietary aids, birth control technology, surgical dressings and appliances, and babycare products.

But about 10 per cent of the customers are also seeking medical advice. Mr. Sharpe believes the pharmacist is well qualified to act as a "filter" between public and doctor, both on the grounds of his understanding of disease and the trust invested by the public.

In this role he can normally be expected to differentiate between the pain of, say, indigestion and an ailing heart; or to prescribe for such afflictions as dandruff or head lice. For the patient it often means the reassurances he is seeking, no matter whether the advice is that the trouble will quickly pass or that he will not be wasting his doctor's time by consulting him.

"Over-the-counter" advice of this kind is given free. But increasingly, with the encouragement of the National Health Service for an expanding role for the pharmacist in health care, pharmacies are setting aside a place for more private consultations, whether for pragnancy tests or for fittings for aids such as surgical stockings.

At the same time the pharmacist is advising the doctor on the performance and "cost-effectiveness" of new drugs. At the moment this feedback from pharmacist to doctor is most evident in hospital pharmacies, where about 12 per cent of British pharmacists are employed. Here the doctor is well accustomed to consulting his colleagues from the dispensary, says Mr. Sharpe. The practice is beginning to spread to health centres — both the area health authority centres and private arrangements in which a group of doctors set up their own dispensary.

The society is anxious to see this close rapport between the two professions spreading more widely, seeing it as an additional safeguard for the patient against unforeseen flaws in increasingly complex products, and as a way of safeguarding the NHS against overpricing by the drug manufacturers.

For this reason pharmacists believe that the drug industry should make the information it pours into doctors' surgeries just as freely available to them. They often interpret the technicalities for the patients. They are often the first to spot signs of an adverse reaction to a new drug.

Still more important, they are in an excellent position to compare the performance of different drugs—perhaps widely different in price—prescribed for the same condition.

But the immense diversity of health care products available from the modern pharmacy brings the profession into conflict at some points both with doctors and with the drug industry.

An example of a service pharmacists believe they are well qualified to undertake is blood pressure testing. They view with alarm the appearance of America coin-in-slot tests in department stores and supermarkets, which provide a figure unsupported by any advice on its meaning, much less any follow-up questions to establish how representative it might be.

Definition

For Mr. Sharpe, a medicine is any preparation with an active therapeutic ingredient. This is a definition which excludes the dietary aids urged by advertising upon the indisposed. But it certainly includes pain-killers and cough mixtures.

The Pharmaceutical Society's policy is that medicines should not be available from self-service stores, for two basic reasons. One is that this form of marketing deliberately encourages children to pick out items for purchase. The other is that it believes the pharmacist has a duty to intervene with advice on medical products, for example if he should see the customer proposing to buy more than one preparation containing the same active ingredient.

In this way he may be able to prevent "double dosing" with a drug such as aspirin—the cause of most cases of poisoning in Britain—simply because the customer was unaware of the contents of his purchases.

Recent limits on the number of aspirin in tablets in packs sold by supermarkets represent an "uneasy compromise" between the pharmacist's professional concern and supermarket interests, Mr. Sharpe believes.

The retail trade argues, of course, that it can provide over-the-counter medicines in many places lacking a pharmacy. Although Britain averages one pharmacy to every 5,000 people, the distribution is somewhat uneven, with large rural areas of Kent, Sussex, Yorkshire, etc. bereft of pharmacies.

The proportion of turnover from dispensing against NHS prescriptions has been rising rapidly in recent years, on average from 40 per cent four years ago to over 60 per cent today. The reasons, says Mr. Sharpe, are loss of the traditional toiletries business to other retail outlets, and the increasing cost in real terms of drugs.

This worrying situation for the pharmacists has led to some fierce battles with the Department of Health over the last decade.

Mr. Sharpe is also chairman of the Pharmaceutical Services Negotiating Committee — the first president of the society to hold this office simultaneously. In this role, quite separate from the society, he is negotiating on behalf of the full spectrum of pharmacy interests—from those of the Boots chain to those of the owner-manager—for a satisfactory remuneration for dispensing health care.

"There's no question that we have public sympathy, but you can't bank public sympathy," he says.

Battle is joined at the moment not only over the issue of what the pharmacist should earn in his basic role as dispenser of NHS prescriptions, but what he should receive for shouldering an increasing advisory role in the nation's health care.

So far the NHS has shown little willingness to provide cash to help keep the pharmacist abreast of a fast-advancing technology. Neither has it been willing to subsidise pharmacies in rural areas where, on present terms, it is proving uneconomic to keep them open.

D.F.

NHS REMUNERATION OF PHARMACY CONTRACTORS

	1975	1980	% increase
Retail Prices Index (1974=100)	119.9	245.3	105
Net ingredient cost	£0.95	£2.30	142.1
Fee + on cost (gross profit)	£0.34	£0.59	73.5
Value of prescription	£1.29	£2.89	124
Gross profit %	26.4%	20.4%	
GP £, for an average contractor 34,000 prescriptions per annum	£11,580	£20,060	73.5
Discount recovered from wholesalers	1.9p	14p	
Adjusted GP £	£12,206	£24,820	103

Source: Pharmaceutical Journal

Industry sensitive over pricing policy

THE PRICING of drugs—whether they are drugs that save lives or drugs that merely stop a splitting headache—is a sensitive issue and it is therefore not surprising that the pharmaceutical industry is sometimes accused of over-charging for its products.

The industry may do much to help the sick, but it also makes its living from them. Some of its detracters—spurred on by a moral indignation that few other manufacturing industries can arouse — claim that it actually exploits those who are ill.

Critics point to the hefty profits made by most major pharmaceutcial groups, to the parallal importing of drugs, to the sums spent on researching and manufacturing me-too products and to the widely ranging prices that are sometimes charged for the same medicine by the same company in different European countries.

These arguments for suggesting that the drug companies set their prices at as high a level as a given market will bear all contain a certain amount of truth. Yet the industry strongly denies that the prices of its drugs are unreasonably high and much—though not all—of the evidence appears to be in its favour.

No-one denies that drug prices vary considerably even in the nine countries of the EEC — let alone outside it — and this fact has been used as the basis of attacks on the industry by such bodies as the Bureau European des Unions de Consammateurs. The bureau brought out a report last year which showed that the retail price of a basket of selected drugs — cardio-vascular drugs, antibiotics and psycho-tropics, which includes tranquillisers — was substantially higher in Holland, West Germany and Denmark than in Belgium, the UK, France or Italy.

The report pointed out that Holland, West Germany and Denmark have no government controls on the price of drugs. It concluded that the lack of State regulation often enabled the "drug oligopolies" to use "their execeptional powers" to set prices at the highest possible levels in certain markets.

The pharmaceutical companies say that direct comparisons of drug prices in different European Community countries mean little because they take no account of exchange rates, varying rates of inflation and differing purchasing powers. If the prices of the consumer unions bureau's basket of drugs is adjusted for national purchasing powers, for example, the differential between Holland—the most expensive country—and Italy—the cheapest one—narrows considerably.

The industry also says that in countries where there is rigid price control, it is failing to make an adequate return on its investment. It is particularly critical of countries like France, where prices are controlled on an individual product basis, and it claims that ultimately poor profitability will force companies to cut their research spending. This will lead to fewer new medicine being discovered, developed and marketed.

The need for high profits that will enable companies to invest adequately in further research is one of the most powerful arguments in the industry's armoury. The number of completely new drugs coming on to the market each year is now substantially lower than it was two decades ago.

Questionable

But it is questionable how far government controls on pharmaceutical prices are to blame for this state of affairs. The growth of regulations on safety testing, which has led to a heavy increase in the time and money required to put a drug on the market, is also partly responsible. And some drug companies admit that from a purely scientific point of view, all the "obvious" pharmaceutical breakthroughs may have already been made. From now on it is going to be far harder to find new drugs—no matter how much is spent on reesarch.

The big drug companies can, in theory, exercise various sanctions against countries whose pricing regulations they dislike.

Ultimately, a drug company could even withdraw from a particular geographical market and the industry sometimes gives vague warnings that this might happen. But the threat is an empty one, certainly as far as the EEC countries are concerned. The pickings may be poorer than wished for but they are still too good to be abandoned.

The fact remains that prices in countries where there is government regulation are still lower than in those where there is virtually none. This has led to what is known as parallel importing, which means that entrepreneurs buy drugs in a cheap, government regulated country—such as the UK—and sell them profitably in an expensive State such as West Germany.

But the point about parallel imports is that they are estimated to account for only some 2 per cent to 3 per cent of the total European drug market. The figure suggests that the real difference between drug prices in various European countries — taking into account all the relevant factors — is negligible. If it were as great as has sometimes been claimed, then market forces would ensure that parallel importing were carried out on a far greater scale.

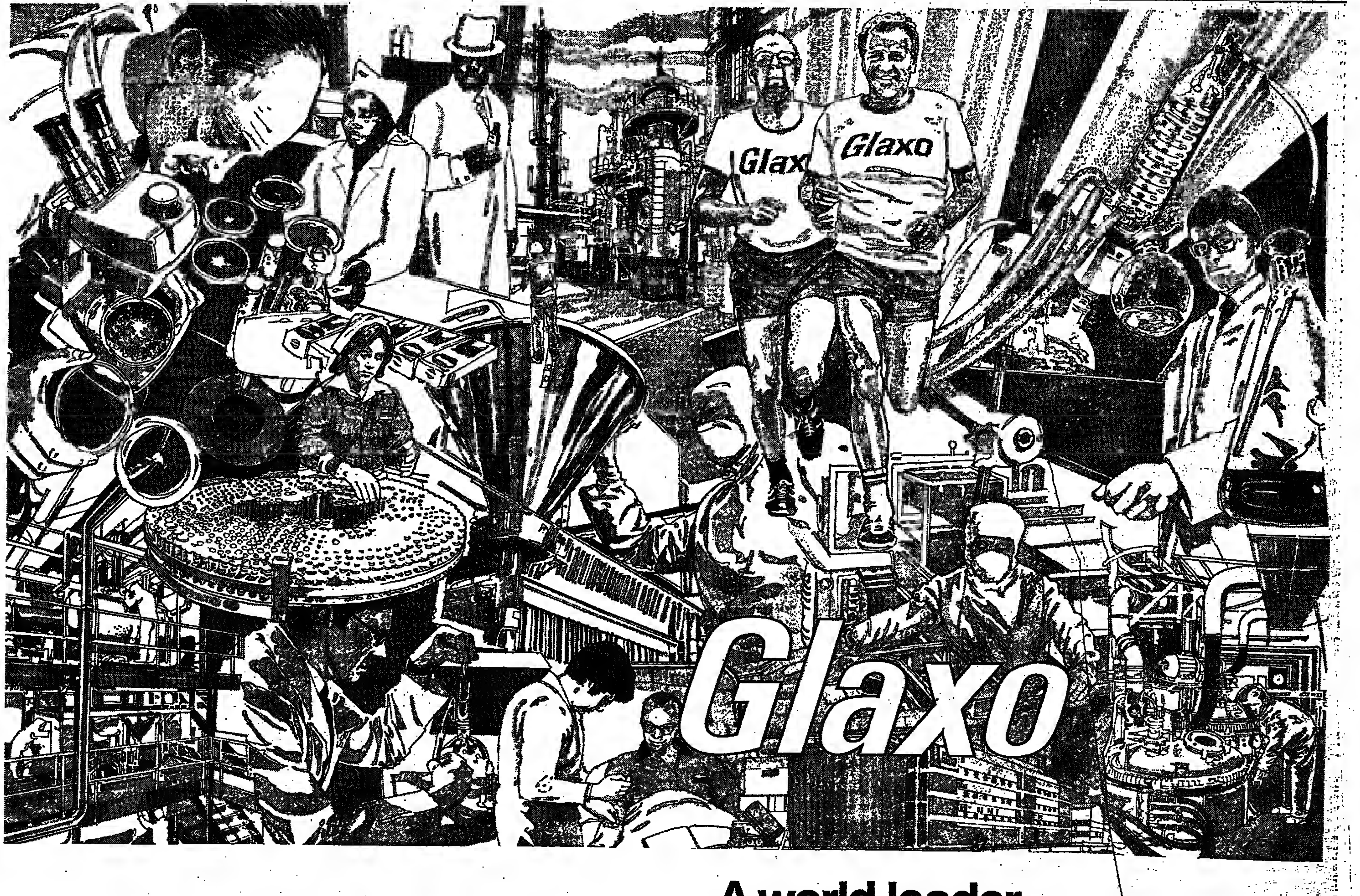
One other factor that is often overlooked by those who attack the pricing policies of the major drug companies is the competition offered by the so-called me-too drugs. These are products which are almost identical to drugs already on the market but which are sufficiently different to warrant patents of their own.

They are sometimes produced simply because two companies have been working along very similar lines of research — unknown to each other. But me-too drugs are also developed when a company sees that a rival is making substantial profits from a particular product and it decides to try to obtain a slice of the market for itself.

The industry claims that a me-too drug can often be an improvement—in small ways—on an original product. It also claims that a me-too medicine can sometimes lead to the discovery of a totally new product. But its strongest argument on me-too drugs is that they undoubtedly lead to lower prices.

In the final analysis, the whole question of drug prices in different European countries is a matter of degree. The pharmaceutical industry has as much right to make good profits as manufacturers of cars or teddybears or cookers. Its argument that it needs to make large profits to invest adequate sums in research which will both enable it to survive and also help to save people's lives is one that cannot be faulted. What is more debatable is the proportion of profits that are or should be spent on research.

S.C.



A bonanza down under

BY RICHARD LAMBERT, FINANCIAL EDITOR

TEN YEARS after the Poseidon bubble, foreign investors are moving back to Australia in a big way. Stockbrokers in London and New York are dusting down their old address books, while international bankers are relearning the exchange control rules. The reason is that a long-awaited investment boom is now under way in Australia's resource-based industries.

Financing the projects which have already been agreed will require the support of very substantial volumes of foreign capital. The inflows are likely to be on such a scale as to have a lasting impact on Australia's financial system, and on the shape of the economy as a whole.

Estimates of how much money could be involved seem to increase almost monthly. A year ago, a survey of major mining and manufacturing projects undertaken by the Department of Trade and Commerce recorded that investment proposals amounting to A$12.4bn (£6.2bn) had either been firmly committed or were at an advanced stage of planning.

A similar study in October took the figure up to around A$16bn. More recently, officials in the Reserve Bank have been talking of figures in the region of A$15bn to A$20bn—without taking anything into account for the Rundle oil shale prospect. Bringing that into production could ultimately cost A$10bn or more.

For comparison capital spending by the mining industry between 1967 and 1977 amounted to some $9bn.

In addition, major investments will have to be made in public utilities and infrastructure to back up resource developments on this scale. For instance, current plans call for an increase in electricity generating capacity from 22,000 megawatts to 41,000 megawatts by 1990. The likely cost is put at roughly A$10bn in 1980 prices.

There is, of course, scope for debate about these estimates. But there is no room for argument about the momentum which is already apparent in certain sectors of the economy. To take one example, the country's sole steel producer — BHP — is heading for record output this year and is having to rein in exports to meet home demand. In marked contrast to its worldwide competitors, it is currently running just about at capacity.

This upsurge in activity has been triggered by the rise in world oil prices, and the associated disruptions in supply. In particular, these have transformed the economics of the coal industry. In 1979, Australia exported just over 40m tonnes of black coal, of which 6m tonnes was steaming coal for power generation. Government officials now say that on a conservative estimate coal exports could quadruple by the year 2000. The International Energy Agency has come out with a much higher figure: it says that demand for Australia's coal exports will then be around 195m tonnes, of which 110m will be for steaming coal.

> **“Estimates of how much money could be involved seem to increase almost monthly.”**

Until recently there was no prospect of mines being developed at anything like the rate needed to make such a figure feasible. Prices have been poor, and the coal producers are still coming out with very depressed profit figures. But whereas export prices for steaming coal were around A$22-24 a tonne 12 months ago, contracts are now being fixed in the mid A$30s, and a new sense of optimism has developed in the industry.

Apart from coal, there is also uranium—where Australia has some 18 per cent of the free world's low cost reserves and the first of half a dozen important new developments is scheduled to start production late this year. In gas, the Woodside consortium is on the point of ordering the jacket for the first platform on the North West Shelf Project—which is currently estimated to cost A$4.6bn in 1980 dollars, including seven ships.

Rising energy prices have also brought a surge in oil exploration activity—and some success. Five years ago it was estimated that Australia would be producing around 35 per cent of its own oil requirements in the mid-1980s, down from the present figure of 68 per cent. Since then, the estimate has risen to about 60 per cent.

All this adds up to a transformation in the country's energy balances. In 1977 Australia was a net exporter of energy to the tune of 22m tonnes of oil equivalent. It expects an eightfold increase in this figure by 1986, and has projected a figure of 290m tonnes by 1991. At that stage, it would be one of only three net energy exporters in the Organisation for Economic Co-operation and Development.

Australia's processing industries have also been given a great boost by its plentiful supply of relatively cheap and secure energy. International comparisons are notoriously vague, but as a guide Government officials indicate that the incremental cost of base load electricity to heavy industry in Australia runs to roughly 1½ cents per kilowatt hour. This, they say, is about half the U.S. figure, and less than a quarter of the cost in Japan.

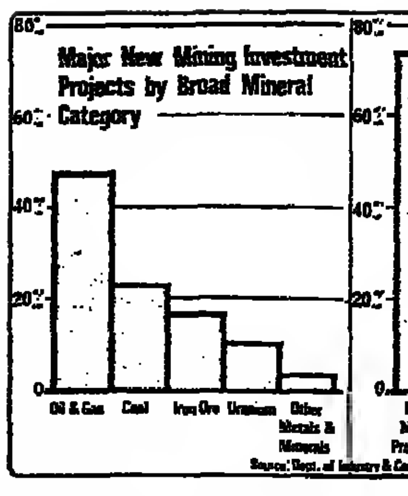
This helps to explain the rush to build aluminium smelters in Australia. At the last official count, production of aluminium—"congealed electricity"—was expected to rise from 270,000 tonnes in 1979 to over 1m tonnes by 1985 with the great bulk of the increase scheduled to be sold overseas.

The Government is anxious to encourage other processing industries based on domestic raw materials, and further down the line there is the possibility of uranium enrichment and coal liquefaction. "Quite plainly," says Mr. Malcolm Fraser, the Prime Minister, "We don't want to be just a 'hole in the ground.'"

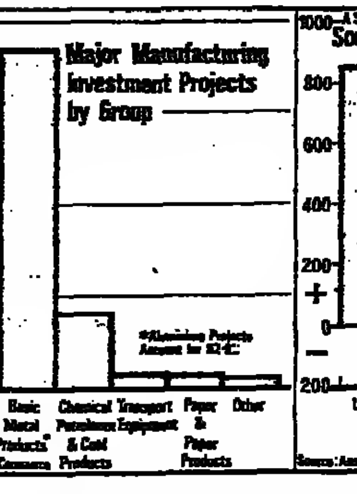
Projects on this scale represent an enormous challenge to a country with just 14m people. As an indication, it has been estimated that in terms of gross national product the North West Shelf project is over 100 times larger for Australia than the Alaskan pipeline was for the U.S.

According to a recent analysis by Mr. Alister Maitland, chief economist of the ANZ Banking Group, an average of A$3.2bn in 1980 prices could be required annually for mining and petroleum projects in the 1980s. A further A$400m a year will also be needed for mining and oil exploration during the decade. The study suggests that only around A$1bn a year could come from domestic sources, leaving about A$2.6bn to be raised overseas.

This assumption is based on the physical limitations of the capital market—until this year, no company had raised more than A$100m through a rights issue—and of the banking system. Combining all the major trading banks together would not produce a banking giant by international standards, and the risks of being over-exposed on term loans to energy projects are obvious.



Major New Mining Investment Projects by Broad Mineral Category

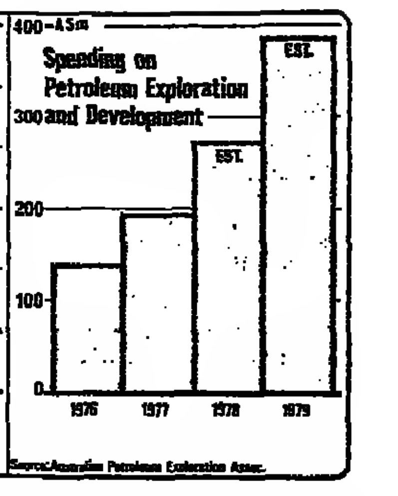


Major Manufacturing Investment Projects by Group

Source: Dept. of Industry & Commerce

Sources of Total Foreign Investment in Australia '78/9

Source: Australian Bureau of Statistics



Spending on Petroleum Exploration and Development

Source: Australian Petroleum Exploration Assoc.

So there seems bound to be a surge in the level of overseas investment in the country. In 1977-78, after all, foreign investment in Australian enterprises was less than A$ 1.3bn, half of which was made up of undistributed income. Only A$ 106m went into primary production. In 1980, BP alone plans to invest more than A$ 200m in fixed assets and exploration, six times the figure in 1977—and it is only one of a growing number of multinationals involved in major projects.

At present, there seems to be little doubt that the foreign funds will be forthcoming. At a time of distinct uncertainty in the international credit market, Australia must look a peaceful haven for foreign bankers. You can hardly swing a cat in Sydney or Melbourne without hitting one. The country is politically secure and—by most standards—economically stable, with inflation running at around 10 per cent. According to Australians at least, the international banking community is underlent to the country.

Customers, too, are putting up funds to ensure stable sources of supply. Japanese utilities are taking equity in coal mine developments, and the oil majors are piling in: Exxon in the Rundle oil shale deposit, Shell in the North West Shelf, BP in the Roxby Downs copper-uranium deposit, and several others. In the words of one mining company, if the product and the marketing are right, then in the current climate finance is a mere technicality.

Foreign investment on such a major scale will have an immediate effect on the Australian economy. It is estimated that between 70 and 85 per cent of budgeted expenditures on projects will be spent on Australian produced materials, goods and services. The impact on the balance of payments will be reinforced as the years go by and resource exports start to build up.

> **“Australia must look like a peaceful haven for foreign bankers. You can hardly swing a cat in Sydney or Melbourne without hitting one.”**

In what has become a hotly debated speech late last year, Mr. John Stone, Secretary to the Treasury spelt out the economic implications of these trends. He argued that Australia was likely to remain a net importer of capital throughout the 1980s, which meant that the balance of payments on current account would need to remain in deficit.

In that event, he said, increased exports of goods and services would need broadly to be matched by increased imports if a number of other alternatives were to be avoided. One would be an appreciating exchange rate, which by reducing exports and cheapening imports would readjust the current account back towards deficit. Another would be accelerating money supply and rising rates of inflation. A third would be an attempt to choke off the domestic money supply consequences by various measures like high interest rates and a credit squeeze, and a fourth would be controls on inward capital movements.

Any of these four possibilities coming individually or more probably in combination, would pose a serious threat to the surge in investment which is currently under way.

But positive moves to encourage imports would be controversial in a country which has developed large parts of its manufacturing industry behind tariff walls. In the past few years industries such as textiles, clothing and footwear, and motor vehicles have received considerable increases in what were already high levels of protection against import competition. Expressed as a percentage of the value of output, the effective rate of assistance to manufacturing industry in the form of tariffs, import quotas or subsidies came to 26 per cent in 1977-78 and the figure was much higher than that in some of the more import-prone sectors.

Mr. Stone suggested that such protection was out of place at a time when Australia badly needed to employ scarce capital resources more frugally. But the logic runs slap into a major political problem. Unemployment is running at over 6 per cent—and manufacturing industry is a far greater empoyer of labour than the resources sector.

A third of the private sector workforce is engaged in manufacturing, and a wholesale attack on tariff barriers could have painful consequences in the short term. By contrast, the mining sector accounted for under 2 per cent of total employment last year—although it provided nearly two-fifths of Australia's exports in 1978-79.

There is an obvious parallel here with the UK, and the way that exploitation of the North Sea has squeezed manufacturers through the impact of oil wealth on the exchange rate. In a number of areas, Australia is facing the same sort of decisions about industry subsidies, exchange controls and currency management as those which have already been taken by the British Government. Its response to these challenges will determine the extent to which it can translate its enormous opportunities into rising incomes and real wealth in the current decade.

Letters to the Editor

Russian oil

From Mr. J. Walbeoffe-Wilson

Sir,—Further to your recent article on the probable decline in Soviet oil production I would like to make some further comments. It is interesting to consider Russia's medium term supply of oil—and coal—in relation to the world wide availability of these commodities.

It may not be generally realised that the United States depends on natural gas for 30 per cent of its energy requirements and in order to fulfil this demand the U.S. gas industry produces 45 per cent of the total world annual production of natural gas.

Recent deep exploration below 25,000 ft in the U.S. has proved some significant additional reserves of natural gas which is essential for both energy requirements and feedstock for the petro-chemical industry in that country. The Soviet Union has over five times the proved gas reserves of the U.S., in fact about 40 per cent of the total world reserves yet produces 26 per cent of the world total annual production.

The Soviet oil industry currently produces approximately 12m barrels per day and it is expected that this figure will start to decline in 1981 at a fairly considerable rate, perhaps 10 per cent per year. Current Soviet exports to the West amount to 1.3m barrels per day and are contracted solely to earn desperately needed foreign currency to pay for the imports of food and Western technology. The Soviet ability to find and develop their very considerable potential for additional oil and gas production is so weak that it will be impossible for them to meet their future requirements.

The point is that they have the oil and gas and more coal than any other nation in the world.

It is not difficult to understand the Russian interest in the Middle East and the possible appalling tragedy to mankind should they make a false move simply due to the poor performance of a nationalised Soviet industry.

John H. Walbeoffe-Wilson.
1, Egerton Gardens, SW3.

Ownership by workers

From the Secretary
Co-operative Productive Federation

Sir,—Mr. Robert Oakeshott is working in industry of the productive resources with which they work. It would clearly help to improve industrial relations, to increase incentive and productivity and at the same time make possible the development of an incomes policy that could be accepted as fair by trade unionists since restraint on their part in wage claims would no longer tend to lead automatically to gains by other sections of the community.

Mr. Oakeshott should, however, surely draw a clear distinction between workers' co-operatives and various forms of employee shareholding. In a co-operative productive society the return paid on share capital is limited and any surplus earnings available for distribution are distributed to worker members in proportion to work. If earnings are ploughed back shares may be isued to worker members in place of part of the cash bonus so that they participate in the growth of assets. This is something basically different from an employee shareholding scheme or some form of "granulated capitalism" in which ordinary shares are issued to workers.

The 1978 Finance Act encouraged employee shareholding and profit sharing schemes by exempting workers from tax when issued with shares and continuing to hold them for more than ten years. It was very odd that a measure introduced by a Labour Government should have excluded co-operative productive societies from the scope of this tax concession. Schedule 9 of the 1978 Finance for some obscure reason that has never been clearly explained excluded redeemable shares and, therefore, co-operative productive society members are still liable to tax when issued with shares to enable them to participate in the growth of assets.

The shareholders of conventional companies participate in the growth of assets automatically when earnings are ploughed back. It it to be hoped that this discrimination against co-operatives will be removed before the 1980 Finance Bill reaches the statute book. The discrimination against co-operative productive societies in this matter tend to result in their ploughing back a lower proportion of earnings than the companies with which they compete. The experience of the Mondragon co-operatives suggests that industrial co-operatives can be very successful when worker members assets when earnings are ploughed back.

Paul Derrick.
Co-Operative Productive Federation,
30, Wandsworth Bridge Road, SW6

An advertising monograph

From the Head of Economics and Research,
Advertising Association

Sir,—In reviewing (April 10) the latest Advertising Association's monograph "Advertising as a barrier to market entry," Winston Fletcher mode some rather sweeping statements cleary based on a misconception about the intended audience for the publication.

Mr. Fletcher noted that the monograph contains "little that is new, and so much that is obvious," which is fair comment if one adds "to managing directors of advertising agencies." The monograph is however aimed at academics, students and civil servants with little or no practical knowledge of the advertising business and is intended to show up some of the flaws in a traditional economic-theory-based criticism of advertising expenditure, using quite ordinary market research results (a very novel approach).

Mr. Fletcher's second main criticism—that the publication would have seemed "like a salvo in defence of sanity" if published during Mr. Hattersley's reign but is now inappropriate—is again entirely misplaced.

The original version of the monograph was in fact developed by Stephen King for a presentation to the Price Commission, during the days of the last Government. It has been published now by the AA, firstly, because the "Barriers to entry" arguments never go away in academic or political circles—irrespective of what party is in power — and secondly, because a considerable number of academics have actually requested copies of the original presentation—presumably because of its rather original nature!

M. J. Waterson.
The Advertising Association,
Abford House,
15, Wilton Road, SW1.

Renascent rail

From Mr. G. Hafter

Sir,—I do not expect to see bad English usage in your newspaper, but in your second leading article of April 8 you spoil an otherwise excellent argument both bya ap oor usage and an important misinterpretation of the facts.

You say that, "for the past 10 years British Rail has been caught in a vicious circle of rising costs and declining *usage* . . . ," presumably you mean declining *use*; but seriously the fact is that in spite of the fall in comuter traffic and the loss of passengers on the rural branch lines and cross-country routes, caused by the Beeching cuts, together with the feeder traffic that these passengers brought to the inter-city main lines and the disincentive effect of swingeing fare increases, the total passenger mileage generated on British Rail in 1979, exceeded for the first time the passenger mileage immediately pre-Beeching.

The success in marketing what is now generally a very good product is therefore remarkable, having more than overcome all the factors working against increasing traffic. British Rail is caught, not in a vicious circle of rising costs and declining use, but in a vicious circle of falling capital resources availability of rolling stock replacements and rising traffic. The number of high speed trains on order for the east coast routes and north east-south west trunk line, is much smaller than the number British Rail would have liked to have bought and for that matter the number that it could fill, as anybody who has had to fight for seats out of Kings Cross on many of the workings, will tell you.

This does not invalidate the tenor of your leading article but it does put the matter rather better in perspective and clearly indicates that we are not talking about a declining industry, but one in renaissance.

G. H. Hafter.
49 Church Street,
Old Isleworth,
Middlesex.

Restrictions in loan agreements

From Mr. G. Selbie

Sir,—In the piece entitled "Hidden menace" (April 5), Lex rightly makes the case for greater disclosure of restrictions in loan agreements. But Lex's implication of sinister motives on the part of banks ("An unseen enemy could be stalking a number of company balance sheets") by incorporating restrictions in loan agreements that "are shrouded in banking secrecy" is going too far and suggests a search for the financial equivalent of "reds under the bed." It ignores the purpose of such restrictions, the way in which they are negotiated and the fact that where a number of banks are involved companies can take positive steps to mitigate the risks of unnecessary triggering of default clauses by raising loans on a syndicated basis.

In a medium term loan the bank concerned is committing itself to lend, frequently on an unsecured basis, for a number of years (compared to a month or two in the case of creditors) without the right to repayment on demand as with an overdraft, all for a fixed margin. Not surprisingly the bank seeks some protection and agrees with the borrower the parameters or restrictions within which both parties feel it would be reasonable for the borrowers to operate. As a result of the competition between banks such restrictions cannot be imposed unilaterally. Indeed they are usually the subject of much negotiation not only involving the finance director or treasurer but also the company's solicitors. In consequence the typical restrictions, rather than being shrouded in secrecy, are well known with minimum net assets, debt equity ratio and interest cover ratio being amongst the most common.

In the case of a company requiring to borrow from a number of banks, the danger of entering into a variety of possibly conflicting restrictions with individual banks can be overcome by raising funds on a syndicated basis using a recognised lead bank. Such an exercise often turns out to be a useful discipline for all parties in working out a minimum number of simple, standard restrictions which can be readily incorporated in a company's identifiable long before any actual breach, hence giving time for corrective action. In the event of a subsequent renegotiations of the terms of the loan, the commitment of banks to the syndicate prevents individual banks from stepping planning procedures. Any possible breach should then be out of line to the detriment of all.

It is worth adding that a syndicated loan enables the company to satisfy its existing banking relationships without taking up the company's own management time involved in negotiating separate loan agreements while giving the finance director or treasurer the opportunity to take the advice of an experienced lead bank in tailoring the restrictions.

G. N. Selbie,
Barclays Merchant Bank.
Dashwood House,
69, Old Broad Street, EC2.

Today's Events

GENERAL

UK: Closing speeches in Belvoir mining inquiry at Stoke Rochford Hall, near Grantham.

Two-day conference opens on transportation of hazardous substance (chemicals), Polytechnic, Middlesbrough.

Mrs. Margaret Thatcher presents British Press Awards, Savoy Hotel, London.

Mr. Albert Booth and Mr. John Prescott, Opposition spokesmen on transport, address Constituency Labour Party meeting, Community Centre, Dover.

Royal Yachting Association annual meeting, Savoy Hotel, London, 4 pm.

Overseas: Second day of talks in Washington between Mr. Menachem Begin, Prime Minister of Israel, and President Carter on Palestinian autonomy.

North Atlantic Treaty Organisation 1980 Economic Colloquium opens, Brussels (until April 18).

European Parliament in session.

PARLIAMENTARY BUSINESS

House of Commons: Timetable motion, Housing Bill. Port of London (Financial Assistance) Bill, second reading. Motions on the Shipbuilding (Redundancy Payments Scheme) (Amendment) Orders for Britain and Northern Ireland.

House of Lords: Debate on Opposition motion on Government domestic policies. Trees (Replanting and Replacement) Bill, second reading.

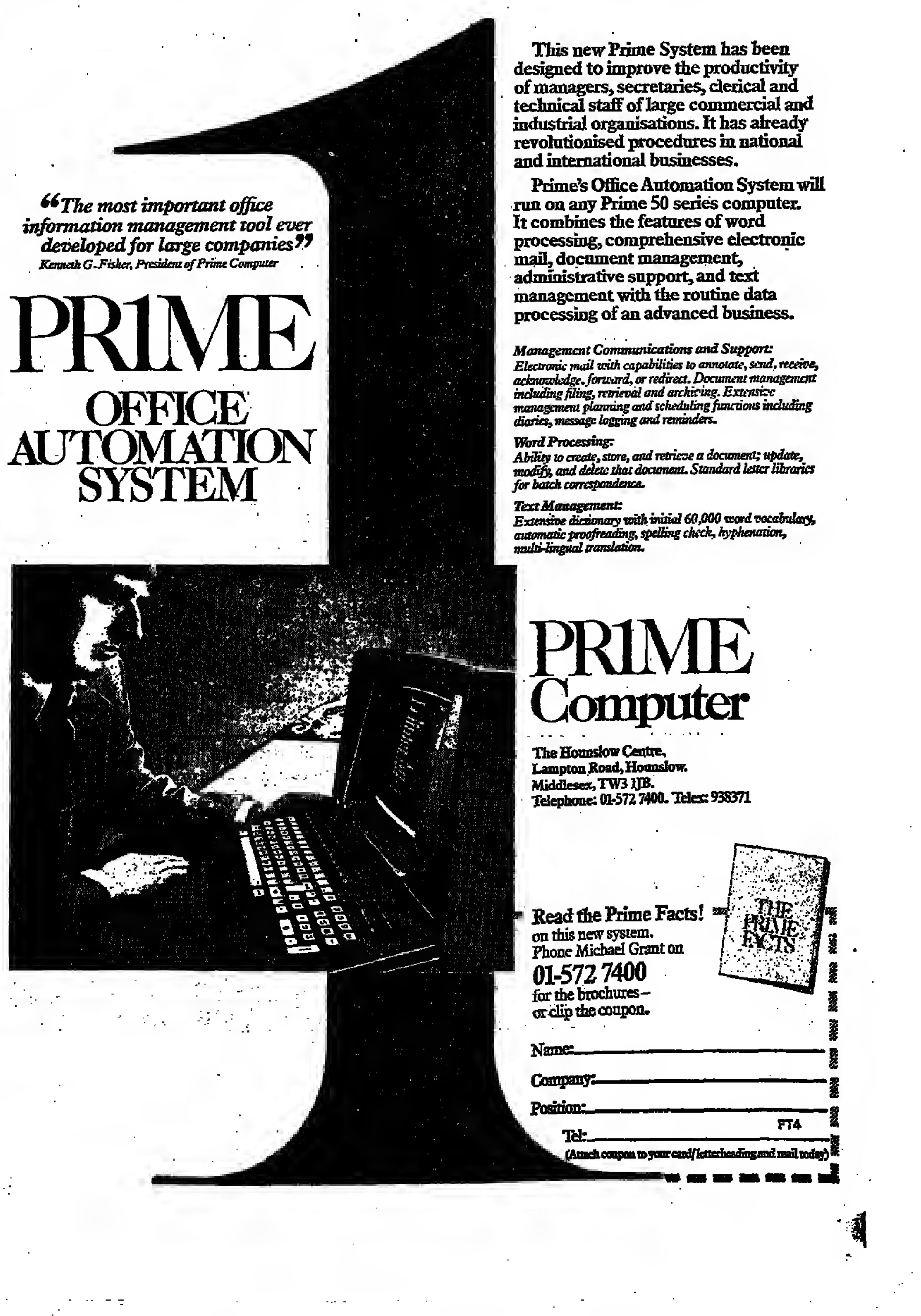
Select Committees: Public Accounts. Subject: Equity sharing schemes and national loan fund accounts. Witnesses: Department of the Environment and the Housing Corporation. (Room 16, 4 pm) Defence. Subject: Statement on defence estimates. Witnesses: Ministry of Defence. (Room 8, 10.30 am and 4.30 pm). Foreign Affairs. Subject: Effects of Soviet expansion for British foreign policy. Witnesses: Mr. Kaser, Mrs. V. Yorke and Mr. L. Turner. (Room 15, 11 am). Education, Science and Arts. Subject: Funding and organisation of courses in higher education courses. (Room 6, 11.30 am).

OFFICIAL STATISTICS

Indices of average earnings (February). Indices of basic rates of wages (March). Index of industrial production for Wales (fourth quarter).

COMPANY MEETINGS

A.C. Cars, 41, High Street, Thames Ditton, Surrey, 4. British Vita, Midway Hotel, Castleton, Rochdale, 12.



Rowntree 10% lower but increases payment

REFLECTING reduced margins brought about by a more difficult trading environment and the competitive structure of world confectionery markets, pre-tax profis of Rowntree Mackintosh fell some 10 per cent to £40.43m in 1979 compared with £45.07m

At mid-year, the surplus had slipped more than £3m to £9.31m, and thedirectors said then that full-year profits were unlikely to reach 1978's record level.

The results were particularly affected by the high sterling exchange rate, the transport strike ,high interest rates coupled with larger borrowings and the increase in VAT.

The directors note that a 2.7 per cent reduction in the UK confectionery industry's volume took place following the rise in VAT rate. Nevertheless, the group's UK confectionery division achieved higher turnover and volume, increasing its market share.

	1979 £000	1978 £000
Turnover	601,321	562,705
Depreciation	11,000	9,100
Trading profit	46,589	51,728
Net interest	8,552	5,658
Associates	2,415	—
Profit before tax	40,432	45,070
Tax	6,553	8,118
Net profit	33,879	36,952
Minorities	1,717	1,704
Attributable	32,162	35,248
Extraord. debits	5,098*	999
Dividends	7,832	7,020
To reserves	18,232	27,229

* Including £3.5m adjustment in the translation of overseas net assets and £1.5m rationalisation costs in Australia.

Group turnover improved from £562.71m to £601.32m, although sales volume remained virtually static.

Trading profits fell from £51.73m to £46.57m after depreciation of £11m (£9.1m) and interest charges increased from £6.66m to £8.55m. The pre-tax surplus includes £2.42m this time, arising mainly from the group's 20 per cent share of the Associated Biscuit Manufacturers.

The dividend is stepped up from 6.5p to 7.25p net with a final of 4.75p and absorbs £7.8m (£7.02m).

Export sales rose slightly from £61.3m to £63.4m, although the directors say that some sacrifice of profit margins was necessary to achieve these results.

The European division also increased its market share, again at hte expense of immediate profits, and was adversely affected by the strength of the pound since a proportion of its supplies are manufactured in the UK.

The overseas division, comprising Australia, Canada, Eire and South Africa, achieved higher sales and profits.

Invest ment in fixed assets was at a record level of £46m and the directors say they regard the purchase o CstuNfht — —— purchase of Nuta Chocoladefabriek of Holland for £16m as strategically important. Substantial sums were also invested in new existing brands, they add.

On a CCA basis, pre-tax profits were £32.5m. The net adjustment is smaller at £8m compared with £18m in 1978 mainly because of the greater stability of major raw material costs.

The current year has not started well, state the directors, with the effects of higher VAT and trade de-stocking in the face of high interest rates continuing to be felt in the UK.

They add that the level of interest rates will be an important factor in profitability, and indications are that the present high rates will continue for longer than has previously been forecast.

See Lex

HIGHLIGHTS

Lex concentrates on a batch of company sector results. **Rowntree Mackintosh** reports lower profits and the company remains under pressure in the short term though its longer term expansion plans in Europe are on course. **Rugby Portland Cement** popped up with a £12½m rights issue to finance new plant backed up by a small increase in profits. Elsewhere two banking results come in for comment. **Standard and Chartered's** profits are only modestly higher despite the take-over of a Californian bank and right issue last year. **Bank of Scotland**, 7which like English clearers enjoyed the rewards of higher interest free deposits, although this has been diluted by its comparatively large interest in consumer finance and merchant banking where profits are slightly lower.

Little change at Senior

ALTHOUGH the year's trading was affected by industrial disruption, Senior Engineering Group ended 1979 with pre-tax profits litle changed at £5.07m, against a restated £5.09m, on turnover up from £54.52m to £60.91m.

The result reflects a pick up in profitability in the second six months after a first-half fall from £2.73m to £2.42m. Activity levels recovered well by the end of 1979 and the group has made a good start to the current year.

However, the effect of the national steel strike began to cause problems by the end of March and the directors say it is probable that the cumulative effect will be felt in a reduction in demand from customers in the coming weeks.

But with the group's factories well equipped to continue the improvement in productivity and despite the difficult economic conditions, the directors have planned for considerably improved results this year.

Earnings per 10p share are shown as 6.82p (6.84p) before tax and as 4.93p (3.47p) after. The dividend total is improved from 1.3032p to 1.5p net, with a final of 0.75p.

Interest charges rose from £47,000 to £104,000, but with SSAP 15 adopted, tax was lower at £1.4m (£2.51m). After minorities and dividends, retained surplus emerged at £2.55m, compared with £1.6m.

● comment

Senior Engineering scrambled back from the ravages of the haulage and engineering strikes to end 1979 with pre-tax profits about even with 1978 levels. The shares put on 2½p yesterday to 22p following publication of the results. The company is now worried about the residual effects of the steel strike but after checking its order book is calling for considerably improved results this year. The acquisition of Boiler Tube Company of America last November pushed interest costs up last year but it could make a significant contribution to 1980 results. The yield of 10 and p/e of 6.5 provide good support.

Bowthorpe ahead to over £7.7m

WITH second half pre-tax profits improving from £3.22m to £3.99m, **Bowthorpe Holdings** reports a 17 per cent advance from £6.52m to £7.62m for 1979. Sales rock from £43.99m to a record £49.85m, of which exports amounted to £7.6m, against £6.91m.

After tax up to £3.67m (£2.74m) and an extraordinary credit of £1.36m (nil), profit attributable is £5.11m (£3.53m). Stated earnings per 10p share are up from 8.8p to 9.4p, and the final dividend is raised from 0.957p to 1.443p, making the total 2.7p against 1.895p.

The extraordinary item resulted from the surplus on the sale of the company's Crawley site. Share of profit of associates amounted to £969,000 against £755,000.

The company designs, manufactures and sells accessories and components for use mainly in electronic, telecommunications, aero-space and electric supply industries.

● comment

More than half Bowthorpe's sales are made outside the UK but the strength of sterling at the end of last year has knocked little of the shine off the company's results. Profits before tax are 17 per cent better (24 per cent up in the second half), gross margins have edged further ahead, and, as foreshadowed at the interim stage, shareholders get a healthy dividend increase. Bowthorpe is basically a low technology group with an increasing emphasis on the more sophisticated end of the market—changes at the top last year were designed with this development in mind. Besides continuing difficulties at Bowthorpe EMP and Power Development last year's progress was fairly widespread with exceptional performances from the admittedly small operations in France and South Africa. Bowthorpe is fortunate to have both a solid range of low price products and the considerable potential of interests tied to the exciting markets of defence, electronics and telecommunications. Even in the current unexciting stock market firmament, it does not quite deserve a glamour rating — a point reflected in the p/e of 11.5 and yield of 3.5 per cent at 110p.

Home Charm advances to record £2.8m

AS ANTICIPATED at the interim stage, when profits had advanced from £0.83m to £1.16m, record 1979 results are reported by **Home Charm**, the home improvement and DIY concern. Including this time £189.654 on the sale of properties and quoted investments, pre-tax surplus for the year climbed from £2.11m to £2.79m, on sales, excluding VAT, of £41.15m against £29.16m.

Retail sales since the beginning of 1980, excluding new stores, have increased by 25 per cent compared with the corresponding period of last year.

After lower tax of £68,074 (£248,691), stated yearly earnings rose from 13.3p to 19.4p per 10p share—SSAP 15 has been applied and comparatives restated. A final dividend of 1.6p lifts the net total from an adjusted 1.42857p to 2.3p.

There was an extraordinary debit of £209,499 (nil) arising from the excess cost of acquisition of the remaining 50 per cent of capital of Home Charm Potton over book value of net assets acquired on April 9, 1979, amounting to £238,569 which has been written off; less £29,070 of capital reserve previously arising on consolidation.

On December 29, 1979, the company's retail selling area totalled 733,000 sq ft, which was 125,000 sq ft higher than a year earlier.

Three new stores have been opened this year, adding 88,000 sq ft, and plans to open seven more stores totalling 164,000 sq ft before the end of 1980 are well advanced.

● comment

Home Charm's pre-tax growth slowed from 41 per cent at the interim stage to 32 per cent at year-end, but the company still seems to be making the most of the interest in DIY. Much of the group's earnings progress stemmed from its new oenings. In 1979 there were five new stores at a cost of around £350,000; this increased total selling sace by 20 per cent and was written off above the line. The value of group sales rose by 41 per cent in 1979, but actual volume growth was about half of this figure. This year Home Charm plans to open 10 new stores, all of them 25,000 sq ft (or larger) "superstores." By the end of 1980 this will mean a third of the group's 98 stores will be of this type, widely believed to be the main growth area in the UK home improvement market. The company is also continuing to expand its own brand name products; in 1979 these represented 30 per cent of group turnover, up from 17 per cent the year before. The board has put the otal net dividend up by 60 per cent, yielding 2.4 per cent at 136p. Calculated on a full tax charge, the p/e is not small at 14. With more and more comnenies (like Comet and W. H. Smith) going for a piece of the DIY pie, the real question for Home Charm now may be just how long it expects to be able to carry on its impressive and hectic rate of growth.

WINDING-UP RESCINDED

A compulsory winding up order made on March 31 against BRR Developments was rescinded by Mr. Justice Vinelott in the High Court By consent, the petition was dismissed.

UNITED BISCUITS

ON THE heels of its £33.8m rights issue, **United Biscuits (Holdings)** is now seeking permission to increase its authorised share capital by 29.4 per cent from £85m to £110m by the creation of 100m ordinary shares of 25p each.

Shareholders, who subscribed for roughly 71 per cent of the 51.34m new ordinary shares by way of rights, will be asked to approve the new resolution at the annual meeting on May 13.

UB has been spending heavily on expansion in recent years, including £54m last year and £49m in 1978. It has also spent over £41m on acquisitions.

The board proposes to introduce a scheme, which is in addition to and quite separate from the 1974 Employee Share Scheme. It will be known as the Employee Share Purchase Scheme and will enable eligible employees to acquire shares without incurring the heavy acquisition costs of small transactions on the Stock Exchange.

The maximum sum which any applicant may invest in any one year will be £1,000, but the board presently intends to limit this maximum to £500.

SPAIN

April 15	Price %	+ or −
Banco Bilbao	224	−2
Banco Central	246	
Banco Exterior	206	
Banco Hispano	220	−2
Banco Ind. Cat.	128	
Banco Madrid	152	
Banco Santander	259	−1
Banco Urquijo	150	
Banco Vizcaya	232	
Banco Zaragoza	208	
Dragados	100	
Espanola Zinc	62	
Fecsa	58.5	−0.2
Gal Preciados	29	
Hidrola	64	−0.2
Iberduero	59.2	+0.7
Petroleos	108.7	−1.3
Petroliber	59	
Sogefiso	107	
Telefonica	54	−0.2
Union Elect.	63.5	+0.3

Smiths Inds. down £1.72m midway after poor start

AGAINST CONTINUING low demand from the motor vehicle and marine industries, Smiths Industries picked up from a poor start to the current year, although pre-tax profits for the first six monbs to February 2, 1980 were down at £9.26m, compared with £10.98m. Sales increased from £139m to £149.6m.

During the first quarter, profits of the group's UK activities were reduced by about £3m as a result of the engineering strike, which was followed by related disputes in parts of the company's UK aerospace businesses.

The directors say results of recent months have shown an improvement on last year and in the absence of major disruption it is expected that this will continue.

High interest rates and acquisition for cash in the latter part of 1978-79 were the main reasons for an increase in interest charges from £1.16m to £1.72m for the half year.

Tax for the period took £2.08m (£3.84m). The net interim dividend is up slightly at 3.7p (3.6138p) per 50p share—last year's total was 9.75p on record profits of £25.14m.

An analysis of sales and trading profits—down from £12.14m to £10.98m — shows (in £000s):— UK: Supplied to industries—aerospace £21,900 (£20,590) and £1,090 (£2,047), marine £6,300 (£7,350) and £194 loss (£79 profit), vehicle manufacture £19,950 (£19,400) and £32 (£518), other industries £28,450 (£24,250) and £3,629 (£3,411). Supplied through distributive trades — £40,000 (£38,100) and £3,596 (£4,021). Overseas subsidiaries £35,850 (£32,250) and £2,773 (£2,065). Less internal sales £2,850 (same).

Activities under the other industries category more than recovered the ground lost in the first quarter and showed an improvement on the previous year; the main contributor being the medical, tubing, specialist connector and time control businesses.

Results of the distribution businesses held up well in the second quarter despite static demand in increasingly competitive markets.

Overseas subsidiaries generally had a satisfactory half-year, particularly in North America where good results were supplemented by an excellent performance from the two recent acquisitions, Harowe Systems Inc. and Concord Laboratories Inc.

● comment

Smiths Industries looks to have suffered badly from the winter's labour disputes, markedly in aerospace where profits are halved. The erosion of BL's market share clipped profits on vehicle equipment, while the marine division turned in a worse than expected performance. Marine is now out of the red, while the aerospace order book is at record levels. The vehicles outlook is uncertain: a question of waiting for the Metro, while BL's market share for the current year looks erratic. SI also looks to have taken a relatively light knock from sterling: export margins are apparently holding up, while overseas subsidiaries turned in a still healthy sterling-expressed profits growth. Outside forecasts are for £26m this year, little better than last year, but with strong aerospace-led growth indicated in 1981. The prospective fully-taxed p/e at £26m would be a modest 8, on a historic yield of 6.8 per cent at 208p on the last 12 month's distributions.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Aberthaw and Bristol	5.51	July 3	4.75	8.44	7.55
Bank of Scotland	7.75	June 2	6.08	15	12.25
Bowthorpe	1.44	July 1	0.96	2.7	1.9
Dares Estates	0.68	July 10	0.5	1.13	0.75
Dorada	3.37	May 28	2.92*	5.47	4.57*
Forward Technology	2.3	May 30	2	—	4.7
Home Charm	1.6	May 30	0.99*	2.3	1.43*
Horace Cory	0.7	May 30	0.38	1.3	0.76
Lamont Hldgs.	1	July 1	0.3	1	0.3
London Pavilion	12.5	—	12.6	12.5	12.5
News Intnl.	3	June 13	2.74*	6	4.97*
Photax (London)	2	May 23	1.83	3.5	3.03
Ready Mixed Concrete	4.9	—	3.91	8.25	6.7
Rowntree Mackintosh	4.75	July 9	4.25	7.25	6.5
Rugby Portland Cement	2.5	July 7	2.09	4.7	3.96
Senior Engineering	0.75	June 2	0.65	1.5	1.3
Smiths Inds. ...int.	3.7	June 11	3.61	—	9.75
Standard Chartered	16†	June 6	7.71‡	26†	16.21‡

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ For 9 months.

Second half boost for Photax

SECON-HALF pre-tax profits of **Photax (London)**, manufacturer and importer of photographic equipment, climbed from £129,541 to £217,561 to raise the 1979 total to £462,561—an increase of £225,020.

After tax £244,064 (£118,515), less tax from earlier years no longer required £213,072 (nil), net profits were £431,569 (£119,026). Stated earnings per 25p share are up from 6p to 10.9p and the final dividend is raised from 1.83p to 2p, making 3.5p (3.03p).

Sales during the year, excluding VAT, amounted to £5.35m against £4.16m.

In her interim report, Mrs. E. L. Jacobs, the chairman, said sales of Yashica cameras and the company's own factory-made products showed worthwhile increases, and a big advance in turnover came from the widening range of goods distributed under its own brand-name.

Rugby Portland calls for £12.3m—profit tops £15m

A RIGHTS issue to raise some £12.3m, net of expenses, and an increase in 1979 pre-tax profits from £14.51m to a record £15.11m are announced by the Rugby Portland Cement Company, the Rugby-based cement and steel reinforcements group.

The rights, which will enable the group to continue its policy of modernisation in the UK and to expand its activities overseas, is by way of an issue of 23.72m new ordinary 25p shares on a one-for-four basis at 54p per share, payable in full not later than May 9.

The issue has been underwritten by Morgan Grenfell and Co.

Although first-half profits had fallen from £6.28m to £5.01m, group profitability in the second six months showed a marked improvement and was 22.7 per cent higher than in the same period of 1978, in line with the confidence expressed at the interim stage.

If the recently produced standard for Current Cost Accounting had been applied, it is estimated that this would have reduced 1979 pre-tax profits by some 50 per cent (35 per cent).

Turnover for the year rose from £98.6m to £110.47m, with a UK increase from £78.1m to £95.5m more than offsetting a reduced overseas contribution. Trading profits improved from £13.91m to £15.67m, split between UK £12.62m (£10.45m) and overseas £3.06m (£3.46m). Interest charges rose sharply from £1.15m to £2.97m.

Following adoption of SSAP 15 tax took £2.63m (£4.28m) and earnings per 25p share are stated up from 10.4p to 12.8p. Comparatives are restated. The final dividend is 2.5p (2.093p) which raises the net total by 18.7 per cent from 3.958p to 4.7p, costing £4.46m (£3.88m). In addition a special dividend of 2.03p was paid in July, 1978, to participating (non-voting) holders as part of the capital reorganisation scheme converting those shares into ordinary shares.

Explaining the reasons for the rights issue, Lord Boyd-Carpenter, the chairman, says that over the past three years, the group has spent £52m re-equipping, expanding and modernising its plants. Of this amount, £38m was in the UK, including expenditure at Rochester and Southam, and £14m at the Perth, Western Australia, plant owned by Cockburn.

Capital expenditure on plant is expected to continue at a high level and for the two years ending December 31, 1981, is estimated to amount to £30m, of which £27m will be in the UK. The directors therefore consider it appropriate that part of this expenditure, which until now has been financed out of cash flow and borrowings, should be funded out of the rights issue proceeds.

As the Cockburn plant in Perth is the group's only cement manufacturing plant outside the UK, the directors also believe the group should expand its activities into other overseas areas.

A professional revaluation of the group's land and non-specialised buildings as at December 31, 1979, produced a surplus of £13.25m over the previous book value and this has been taken direct to capital reserve.

On the year's trading, the chairman says that in the UK the severe weather in the first three and a-half months badly held up building work and hence checked demand for cement. This shortfall, however, was subsequently made up.

In Australia during 1979, the progress of the economy was disappointing which meant that results at Cockburn Cement were not very exciting, Lord Boyd-Carpenter states.

See Lex

Aberthaw finishes on £1m

FOLLOWING ITS loss-making first half, when a £739,000 downturn was reported, Aberthaw and Bristol Channel Portland Cement Company recovered to pre-tax profits of £1m against £1.25m at the end of 1979. Midway the directors had warned that the fulltime total would be "considerably below" the 1978 figure.

Depreciation for the 12 months was £547,000 against £519,000, with a tax credit of £260,000 (charge £199,000), stated earnings per 25p share were up from 26.61p to 32.12p, and the final dividend is raised from 4.7465p to 5.5136p, making the total 8.4381p (7.5457p).

Interest of £220,000 relating to financing the project to convert kilns at the Aberthaw works from gas to coal-firing has net been charged in arriving at the profit. The total of such deferred interest will be charged against profits over a period of five years from the time conversion is completed.

Turnover during the year was £26.15m against £21.06m.

Second half boost at RMC

A £10.34M JUMP to £32.08m in the second half helped lift taxable profits of Ready Mixed Concrete to £47.28m in 1979, an increase of 29.4 per cent over the previous year.

The directors say severe weather throughout Northern Europe in the early part of the year affected the group's operations — mid-term profits were marginally higher at £15.21m (£14.82m)—but there was a strong recovery with the return of more normal conditions.

Full-year turnover advanced from £632.19m to £749.58m, while operating profit totalled £50.27m (£38.04m).

A geographical analysis of sales and the operating surplus shows (in £000s): UK £366,060 (£296,641) and £26,549 (£20,700); West Germany £251,085 (£222,091) and £14,353 (£10,987); and other countries £132,432 (£113,458) and £9,364 (£6,446).

The net total dividend is increased from 6.7p to 8.25p, with a 4.9p final. Stated earnings per 25p share are 5p higher at 33p. Tax took £15.56m (£11.51m).

	1979 £000	1978 £000
Turnover	749,577	632,190
Depreciation	26,521	22,597
Operating profit	50,266	38,043
Property disposals	551	682
Associates	690	513
Interest	4,237	2,672
Profit before tax	47,280	36,551
Tax	15,561	11,511
Net profit	31,719	25,040
Minorities	6,104	4,388
Extraordinary credit†	897	—
Available	26,512	20,652
Dividends	6,567	4,952
Retained	19,945	15,700

† Comprises £1.1m profit on disposal and £216,000 losses on disposals of subsidiaries less £230,000 tax relief and £121,000 minorities.

● comment

RMC caught up with a vengeance after its first-half problems with bad weather and the UK haulage strike to show full-year profits up by nearly 30 per cent pre-tax, handsomely above expectations. Germany and France have shown the strongest growth, and construction demand is holding up well in both countries at present. Although RMC expects some tapering off in the continental markets towards the end of this year, there should still be an improvement in profits from this source, and at home the group is happy with its builders' merchants and DIY side. British sales of concrete and aggregates will be more difficult to push ahead, and margins may come under some pressure. But the shares, even after their recent good run, still look modestly rated on a p/e of under six times fully-taxed earnings at 168p. The yield is 7¼ per cent.

Dorada shows rise to £1.92m

REDUCED motor group profits of Dorada Holdings in 1979 were more than offset by doubled profits on the engineering side and a first-time contribution from the merchanting division. This left the group pre-tax surplus higher at £1.92m, against £1.61m, on sales 26 per cent ahead at £75.26m.

The taxable profit includes an exceptional credit of £196,911 (£327,379), being the net surplus on property sales, less £130,303 (£163,044) exceptional costs. Interest rose from £546,618 to £786,548.

Mr. Thomas Kenny, chairman, says the going is unusually rough in the current year, and "the first half may not be exciting." Interim pre-tax profits totalled £751,000 (£550,000) in 1979.

The motor group surplus fell by 6.4 per cent to £1.53m (£1.63m).

The net total dividend is effectively raised from 4.57p to 5.47p, with a final of 3.37p. Earnings per 25p share are given as 10.7p (14.6p) with deferred tax provided, and as 22.3p (8.8p) with deferred tax not provided.

There was a tax credit of £76,932, against a £48,883 charge.

Of the year under review, the chairman says it has been one of considerable change, resulting in a substantial increase in the share capital and reserves. The results illustrate the progress being made in the policy of reducing dependence on the motor trade by developing the engineering and merchanting activities, he adds.

Engineering trade profits jumped by 101.6 per cent to £661,143 (£327,995), despite some £250,000 being lost through the engineers' strike. The new merchanting group contributed £421,436.

The results include six months figures for Alexander Machinery and Qualters and Smith Bros., acquired last June, and nine months contribution by South Wales India Rubber Company, also purchased last year.

Group fixed assets amounted to £9.43m (£5.39m) at the year-end. Current assets rose from £14.24m to £22.7m, including debtors of £7.5m (£3.03m). Current liabilities totalled £16.76m (£8.8m), with bank overdrafts and loans at £3.63m (£0.97m), and a £0.52m provision for future property refurbishments and reorganisation.

● comment

First time contributions from acquisitions put Dorada well ahead despite the 6.4 per cent downturn in motor group trading profits. The merchanting group added £420,000 to trading profits, with perhaps up to £200,000 in first-time money from the new engineering companies. But the engineering strike cost Dorada £250,000, it says. The company looks to have managed its diversification well, with over 40 per cent of trading profits coming from outside motors, and gearing around 50 per cent, including vehicle stock loans. With new car registrations looking set for a downturn of up to 30 per cent this year, motor profits will be hit, but they will probably be more than offset by full-year contributions from acquisitions. The fully-taxed p/e is 6.5 at 62p, well supported by a 13 per cent yield.

Rowntree Mackintosh

Preliminary Announcement

52 weeks ended 29 December 1979

	1979 £'000	1978 £'000
Turnover	601,321	562,705
Trading Profit (Note 1)	46,569	51,728
Interest paid less investment income	8,552	6,658
	38,017	45,070
Share of associated companies' profits (Note 2)	2,415	—
Profit before Taxation	40,432	45,070
Taxation	6,553	8,118
Profit after Taxation	33,879	36,952
Minority interests and preference dividends	1,717	1,704
Profit attributable to Ordinary Shareholders before Extraordinary Items	32,162	35,248
Extraordinary items (Note 3)	5,098	999
	27,064	34,249
Ordinary Dividends		
Interim 2.5p per share (1978 2.25p)	2,701	2,430
Proposed Final 4.75p per share (1978 4.25p)	5,131	4,590
	7,832	7,020
Added to Reserves	19,232	27,229

Notes

1. Trading Profit is after charging depreciation of £11.0m (1978—£9.1m).
2. The share of associated companies' profits reflects mainly the Group's 20% holding in The Associated Biscuit Manufacturers Ltd.
3. Extraordinary items include adjustments on the translation of overseas net assets (£3.5m) and provision for rationalisation costs in Australia (£1.5m).
4. Earnings per share amount to 29.8p in 1979 compared with 35.1p in 1978, calculated on the profit before extraordinary items.

Subject to Shareholders' approval, the proposed final dividend of 4.75p per share will be paid on the 9th July 1980 to Ordinary Shareholders registered at the close of business on the 13th June 1980.

Summary Group Balance Sheet

	1979 £'000	1978 £'000
Funds Employed		
Share Capital	56,697	29,687
Reserves	169,026	186,663
	225,723	216,350
Minority Interests	11,040	13,206
Net borrowings	63,809	22,236
	300,572	251,792
Use of Funds		
Fixed Assets	175,983	146,415
Investments	11,479	5,768
Stocks, debtors, less creditors	113,110	99,609
	300,572	251,792

Extracts from the Chairman's Statement

1979 Background

In less favourable conditions than in recent years Group sales volume in 1979 was held at its high 1978 level and sales turnover rose to a record £600m. The more difficult trading environment and the highly competitive structure of the world confectionery markets, however, reduced margins so that pre tax profits at £40.4m were some 10% below the record £45.1m earned in the less stringent conditions of the previous year.

A particular aspect of the background to the Group's 1979 operations was the high sterling exchange rate compared with the lower level of previous years, which had been advantageous to our substantial overseas and export businesses. Other factors which adversely affected both turnover and profits were the sharp increase in V.A.T. and the transport strike in the U.K. and the high level of interest rates in most countries.

We maintained our long term strategy of investing in an increasingly strong asset position in our plant and buildings and in our brands and market shares. Both these forms of investment are essential to the future earning capacity of the Group.

Fixed asset investment was at a record level of £45m and the purchase of Nuts Chocoladefabriek BV in Holland for £16m is a strategically important acquisition both for our European and world-wide operations. Substantial sums were also invested in new and existing brands and we increased our share of the consumers' purchases in the U.K. and other major markets.

It is, of course, possible to hold or increase profits in a particular year by taking a shorter term view on investment and particularly marketing investment, which is a direct charge on profits. Your Board considered that, in view of the strong financial position of the Group and its satisfactory dividend cover both on historic and current cost bases, to take this option would be imprudent and not in the best long term interest of the Group, its shareholders and its employees.

As we reach the end of the Seventies, it is perhaps worth recording that, by pursuing the strategy outlined above, the Group's profits in the last decade have risen six-fold and that, while growing steadily in our established markets, we have built an entirely new European business whose sales in 1979 were £148m compared with £11m in 1969.

1969–74–79 Comparisons

	1969 £m	1974 £m	1979 £m
Sales			
E.E.C. (excluding U.K.)	11	52	148
Overseas	24	61	126
	35	113	274
U.K.	78	139	327
	113	252	601
Pre tax profit	6.8	15.1	40.4

Finance

Group turnover rose by 7% to £601m; adjusting for exchange rate differences the increase would have been 10%. Volume of sales was almost identical to the 1978 level.

Trading profit at £46.6m is some 10% lower than the record £51.7m last year. Interest charges rose by almost £2m to £8.6m reflecting both higher rates and the larger borrowings, consequent upon our heavy investment programme, the acquisition of Nuts Chocoladefabriek BV and the higher level of working capital. Depreciation charges were also higher by some £2m.

Pre-tax profit was £40.4m compared with £45.1m last year. As envisaged in last year's report, this year's profit includes £2.4m arising mainly from the consolidation of our 20% share of the profit of The Associated Biscuit Manufacturers Ltd, which showed encouraging results.

We have provided in extraordinary items some £1.5m gross for costs arising on the rationalisation of our Australian manufacturing operations, but the greater part of the £5.1m total of this item arises from the translation of overseas assets at the higher sterling rate.

On a current cost basis pre-tax profit was £32.5m compared with the historic cost profit of £40.4m. The £8m net adjustment is smaller than the comparable figure of £18m last year mainly as a result of the greater stability of major raw material costs.

The final dividend proposed is 4.75p per share making, with the Interim dividend already paid, a total of 7.25p per share compared with 6.5p per share last year. The total dividend is covered 4 times on an historic basis and 3 times by current cost earnings.

Operations in the U.K.

The U.K. confectionery industry's volume fell by 2.7% in 1979 compared with the previous year. The whole of this reduction took place after the increase in V.A.T. from 8% to 15% – an increase which was made despite a professed Government policy of not taxing food. The recovery of sales which might have been expected towards the end of the year was probably affected by the absence of T.V. advertising caused by the I.T.V. strike and de-stocking by distributors influenced by high interest rates.

Against this background, our U.K. Confectionery Division performed very well in the market place. Turnover and volume reached a new high level and market share again increased.

The Grocery Division's branded sales increased in turnover and volume. Table Jellies, Cheese Spreads and Pickles performed particularly well.

All operations in the U.K. were seriously affected by the transport strike and secondary picketing in the early part of 1979. Our own staffs were not involved in the dispute but the disruption created significant additional costs in transport, supply and production and seriously damaged our Export trade and therefore employment, both immediately and subsequently.

Operations Overseas

Exports from the U.K. were £63.4m compared with £61.3m in 1978. We increased our share of U.K. Confectionery exports significantly. To achieve these results and to maintain our position in the market place, in the face of a distinctly unfavourable export environment, required great skill and determination on the part of our Export division's staff and some sacrifice of profit margins.

Our European Division continued its long term strategy of steadily increasing its market share, even at the expense of immediate profits, by the introduction of further Rowntree Mackintosh brands and the growth of brands already well established. As some part of European supplies is manufactured in the U.K., the results in this market were also substantially reduced by the strength of the Pound.

The Overseas Division, which is responsible for our companies in Australia, Canada, the Republic of Ireland and South Africa, achieved higher sales and profits overall, but on consolidation at the higher sterling rate, profits were in line with those of the previous year.

Supply

There was an improvement in the world stock position of cocoa beans during the year and this has continued into the 1979/80 crop year. Cocoa bean prices have shown some decline but the price of cocoa butter, an equally important ingredient, has risen significantly and the total cost of cocoa materials has been relatively constant and is expected to remain so in 1980.

Outlook

Once again the year has not started well. In the U.K. the effects of higher V.A.T. and trade de-stocking continue to be felt. The combination of the current high sterling exchange rate with a high rate of inflation is not a good basis for buoyant and profitable export trade. The level of interest rates will be an important factor in our profitability; latest indications are that the present abnormally high rates will continue for longer than had been previously forecast.

But our brands are strong and we continue to make good and steady progress in our market share strategy both in the U.K. and overseas.

While it would be imprudent in the present environment to make predictions about the results of 1980, I have no doubt that as we advance into the Eighties and, hopefully, into more encouraging economic conditions, the very considerable investment which the Group has made – and continues to make – in people, products, and plant, will reward all those who maintain an interest in the Group's progress.

Donald Barron

KIT KAT * QUALITY STREET * SMARTIES * POLO * BLACK MAGIC * GOOD NEWS * FOX'S GLACIER MINTS
ROWNTREE'S PASTILLES * AFTER EIGHT * WEEK-END * AERO * ROLO * DAIRY BOX * TOFFO * MATCHMAKERS
JELLYTOTS * WALNUT WHIPS * TEXAN * NUTTY * YORKIE * BLUE RIBAND * BREAKAWAY * MONTEGO
CREAMOLA * PAN YAN PICKLES * TABLE JELLIES * SUN-PAT PEANUT BUTTER * CHEDDAR SPREAD

UK COMPANY NEWS

Stanchart ends year 16% ahead

A £23.5m increase in profits and a better than forecast dividend are reported by Standard Chartered Bank for 1979.

With a final payment of 16p net, the total dividend is raised to 26p. This is 1p higher than that projected at the time of last year's rights issue, and compares with 16.2061p for 1978's nine months accounting period. The cost of the dividend is £22.5m (£11.3m).

Pre-tax profits for the 12 months pushed ahead from an annualised £146.3m to £169.8m, a 16 per cent increase. The charge to profits for bad debt provisions was £58.3m (£45.4m for nine months). Inflation adjusted the taxable surplus totalled £119m.

The directors report that profits from Hong Kong and South East Asia remained buoyant in the second half. In Africa, Standard Bank Investment Corporation has already reported a substantial profit increase and other interests in that continent have continued satisfactory growth.

Active trading conditions in the U.S. resulted in higher profit levels by both Union Bank and previously established branches.

Overseas profits have been reduced by some 10 per cent in sterling terms as a result of the appreciation of the pound.

nl the UK high interest cost continued to depress profits in consumer finance.

The nature of the companies banking operations within the UK is such that high interest rates did not provide "windfall profits" and operations have suffered from rising costs and narrow margins.

Associates contributed £20.9m (£18.7m annualised) to pre-tax profits. Tax took £85.2m (£81.8m) and earnings per £1 share increased from 76p to 88.4p. This time there were minority profits of £14m (£10.8m).

The balance of provisions for bad debts at the year end was £142m (£134.2m) specific and £65.8m (£45m) general.

Total capital employed at December 31, 1979 amounted to £759.9m (£699.3m).

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Equity Income Trust, Kalamazoo, Linread, Martonair International, Sun Life Assurance.

Finals: William Baird, Barrow Hepburn, Beauford, Berwick Timpo, A. F. Bulgin, Burmah Oil, I. J. Dewhirst, Downiebrae, John Finlan, Hawker Siddeley, Holyrood Rubber, Hongkong (Selangor) Rubber, Kuala Selangor Rubber, Myson, Owen Owen, Parambe, Portals, Provident Life Association of London, Richardsons Westgarth, Rio Tinto-Zinc, W. H. Smith, Tharsis Sulphur and Copper, Wilkins and Mitchell.

FUTURE DATES

Interims:	
Anglo-Scottish Invest. Tst	Apr. 24
Dowding and Mills	Apr. 22
Safeguard Industrial Invest.	Apr. 24
Finals:	
British Investment Trust	May 6
Capydex	Apr. 23
English National Investment	Apr. 29
Executex Clothes	Apr. 21
Hay (Norman)	Apr. 23
MOW	Apr. 21
† Midland Inds.	Apr. 17
Modern Engineers of Bristol	Apr. 24
Perry (Harold)	Apr. 24
Thomson T-Line Caravans	Apr. 23
Tootal	Apr. 24
Towles	Apr. 17
United Carriers	Apr. 22
Weeks Associates	†May 6
Yorklyde	Apr. 28
Yorkshire Fine Wooln. Spinrs.	Apr. 17

† Amended.

£6.4m improvement by Bank of Scotland

AFTER BAD debt provisions of £32.99m, against £29.36m, and a first time contribution of £1.65m to staff profits sharing schemes, taxable profits of Bank of Scotland ended the year to February 29, 1980 some £6.4m higher at £40.64m. At midway the profit improvement was from £16.39m to £17.86m.

Net final dividend is 7.75p for a 15p (12.248p) total, an increase of 22 per cent.

The directors report that clearing bank operations benefited from higher interest rates; the average base rate during the year being 14.37 per cent, compared with 10.11 per cent.

However, when rates rose in June, the bank narrowed the margin of its deposits below base rate. A higher level of lending, both in sterling and foreign currency, contributed to higher interest revenue but the sale of investments to maintain sterling lending under credit control conditions crystallised a net loss, compared with a gain in the previous year.

Service charges and commissions increased by some 16 per cent and total expenses at a similar rate; staff salaries were around 21 per cent higher. The directors have decided to fund additional pension liabilities by supplementary annual contributions over a period of years. This funding policy results in the total of contributions being some 13½ per cent greater than in the previous year.

The foregoing factors, together with an advance in the share of profits of International Energy Bank, resulted in parent bank profits showing an improvement of £8.5m.

Profits of subsidiaries, North West Securities and British Linen Bank were little changed at £8.01m and £3.19 respectively.

On a Current Cost basis group pre-tax profits are shown as £22.5m (£26.2m), after adjustment for monetary working capital £13.5m (£6.3m) and depreciation £3.4m (£1.2m).

The bad debt provision broke down as to, specific £18.16m (£16.84m) and general £14.33m (£12.52m).

Total advances at February 29 amounted to £1.96m.

	1979-80 £000	1978-79 £000
Operating profit	39,859	32,107
Share of associates	2,430	2,145
Staff profit-sharing	1,649	—
Pre-tax profit	40,840	34,252
Tax	15,990	12,908
Extraordinary credits	323	945
Available	24,973	22,289
Dividends	4,837	3,950
Retained	20,136	18,339

See Lex

Forward Technology up by 25% at six months

IMPROVED CONTRIBUTIONS from all divisions helped raise taxable profits of Forward Technology Industries by 25 per cent to £1.19m in the six months to December 31, 1979. This compares with £954,000 last time.

Sales of the electronics, specialised machinery and plastic-based products manufacturer rose by 18 per cent from £17.93m to £21.21m.

Mr. Gordon Allen, chairman, expects continued growth in sales and produce to produce satisfactory second-half results. Pre-tax profits reached a record £2.1m in 1978-79.

The group's policy of increasing the proportion of profits earned overseas will help considerably in the current year, he adds.

The net interim dividend is raised from 2p to 2.3p—last year's final was 2.7p. After tax of £353,000 (£239,000), stated earnings per 25p share are up from 4.3p to 4.9p for the half-year.

The pre-tax surplus was struck after increased interest of £431,000 (£376,000).

A divisional analysis of turnover and profit shows (in £000): electronics and special purpose machinery £9,875 (£9,755) and £869 (£711); distribution £3,680 (£3,392) and £260 (£177); plastics £3,794 (£2,667) and £382 (£227); and sound reproduction £3,856 (£2,113) and £293 (£277).

The chairman says the independent television strike affected the promotional budgets of the group's major customers in sound reproduction with a result that the directors decided to release stocks at lower margins and maintain overall momentum in manufacturing facilities.

● comment

The 25 per cent rise in first half pre-tax profits of Forward Technology reflects growth in all sectors of the group's business. Also, margins improved in the main electronics and special purposes machinery division and in distribution and plastics. Exports now account for 25 per cent of turnover and the group counts on home and foreign operations, which add another 11 per cent, to help sustain profit growth while the UK economy declines. Mecasonic, the French manufacturer of ultrasonic welding equipment acquired last year, is expected to make a useful contribution to second half profits. The shares gained 1p yesterday to 87p but the prospective p/e of about 7 and prospective yield of 9.4 seem to offer some room for further price improvement.

Lamont Hldgs. soars 179% to £283,000

An increase of 179 per cent in pre-tax profits is reported by Lamont Holdings, the Edinburgh-based investment holding company with interests in engineering. The figures for 1979 increased from £101,405 to £282,797 from turnover 21 per cent higher at £3.16m against £2.62m. At the halfway stage pre-tax profits improved from £8,855 to £80,580.

After tax of £70,192 (£38,054) stated earnings per 10p share are up 193 per cent from 0.97p to 2.84p, and the dividend is raised from 0.3p to 1p.

Sir Desmond Lorimer, the chairman, says the engineering division at home and abroad continued its development and improved performance, and the life assurance division benefited from higher investment earnings. During the year the first phase of the Edinburgh warehouse project was completed and has been sold in the current year for £500,000. The second stage is due for completion in July.

He says the heavy burden of financing the Edinburgh office block still remains, although the leasing of a portion of the block will, to a limited degree, alleviate this position in 1980.

There were minority credits of £2,705 (£12,079) and an extraordinary debit of £8,489 (£5,859). Attributable profit was up from £66,211 to £203,461.

BIDS AND DEALS

U.S. bid for Bowring may dodge Lloyd's 20% holding rule

Lloyd's of London is to give Marsh and McLennan of the U.S. nine months to reduce its shareholding in the Lloyd's operations of C. T. Bowring to around 25 per cent once the American group's £250m takeover for Bowring is completed.

The rule, established in 1978, stipulates that insurance interests outside the Lloyd's market may not normally hold more than 20 per cent of an approved Lloyd's broker.

In the case of the bid by Frank B. Hall of the U.S. for Leslie and Godwin, another U.K. broker with Lloyd's interests, Lloyd's allowed the American broker to hold 25 per cent of the Lloyd's interests while 75 per cent of the holding went to Rothschild Investment Trust, with the full approval of Lloyd's.

Since the Marsh bid for Bowring will not be completed for some time, it is expected that an internal working party in Lloyd's, headed by Sir Henry Fisher, will recommend the abolition of the 20 per cent rule. In which case any observation of the 20 per cent rule by Marsh will be unnecessary.

For the moment, Lloyd's has said it will allow Marsh to proceed with its bid for Bowring's Lloyd's interests "under terms no less favourable than those which we granted to Frank B. Hall."

It is unlikely that Singer and Friedlander, the merchant banking subsidiary of Bowring, will be able to remain a member of the influential Accepting Houses Committee if ownership passes to Marsh and McLennan.

Marsh and Bowring agree it is important that the bank should be sold if committee status cannot be maintained, and two possibilities are being considered for a sale. Either the bank could pass to a consortium formed by executives of the bank or be sold to other interested parties. Marsh has already received several approaches.

Opposition to Assam share acquisition

PLANS BY Assam Trading (Holdings) to acquire the private interests of two of its directors ran into considerable opposition at yesterday's extra-ordinary general meeting. After a lengthy and often stormy session, the board finally agreed to adjourn the proceedings for 28 days until May 13.

The meeting had been called to approve an increase in the company's share capital so that it could acquire Learmouth Property Investment Company and County Properties. Learmouth is owned by Broadland Properties—a company controlled by two directors of Assam Trading, Mr. John Malcolm Guthrie and Mr. John Guthrie who, together with associates, hold 55.6 per cent of the voting capital of Assam Trading.

Just before yesterday's meeting the board announced that, because of the late arrival of certain proxies from India, a resolution for the adjournment of the meeting until Friday, April 18, would be moved.

This news brought a swift response from Mr. David Sidebottom, senior partner in Russel Wood, stockbrokers, and his associate Mr. Ian Royse, who together are spearheading the opposition to the proposed property deal. They claim the deal benefits the Guthrie family at the minority holders' expense.

Mr. Royse, who claims the support of some 20 per cent of the minority holders, put an amendment to the board's resolution that the meeting be adjourned for 28 days to give him time to contact the Indian shareholders and put the objections to the property scheme.

The original resolution was defeated on a show of hands but the board, headed by Sir John Brown, demanded a poll. After a lengthy debate about the validity of the board's plan to use the proxies in its favour to vote the resolution through, the directors accepted the amendment after a short recess.

In its statement before the meeting, the Board said it was seeking an adjournment so that the dicision of the meeting reflected the will of as large a number of holders as possible.

At the meeting, Sir John claimed that even without the late proxies there was a majority of 3,800 in favour of the property deal. But this figure was disputed by Mr. Royse.

Palma says 'no bid' as it raises stake in Montfort

PALMA TEXTILES GROUP, a privately-owned Leicester company, has increased its stake in Montfort (Knitting Mills) to 29.95 per cent—just below the level at which a full bid would be triggered under the Takeover rules.

But Palma, which last November frustrated David Dixon and Son's bid for Montfort by building up a 17 per cent stake in the company, said yesterday that it was not its intention to make a bid. Palma intends to maintain this holding as a long-term investment and this assurance has been given to the Montfort Board.

The 300,000 shares acquired by Palma—taking its holding up to 902,500—were previously held by David Dixon. These shares, which were sold through the market recently, represented the residue of Dixon's holding following its abortive attempt to acquire Montfort at the end of last year.

News Int. swallows losses and rises £3m

DESPITE industrial stoppages and a £2.23m reduction in associates' contributions, pre-tax profits of News International went ahead from £24.93m to £27.97m in 197. Turnover amounted to £200.12m against £177.85m.

Some 36m copies of the group's newspapers were lost through industrial stoppages during the year, states Mr. Rupert Murdoch, chairman, and in view of this the increased profit is considered satisfactory. Most major divisions improved their trading, he adds. At midway, pre-tax profits were £12.12m (£9.08m).

The associates' loss this time of £361,000 (£1.87m profit) reflects the absorption of initial losses of newly acquired projects in the U.S. and a smaller share of the profits of LWT (Holdings) following the sale of part of the group's stake during 1978. The balance of the group's holding of LWT (Holdings) "A" ordinary shares has been sold since the year-end.

A final dividend of 3p lifts the net total to 6p, compared with an equivalent 4.97p.

After tax of £15.61m (£13.56m), earnings per 25p share are shown as 30.368p (28.393p). There is an extraordinary debit of £118,000 (£2.05m credit).

● comment

Against a backdrop of industrial problems at its Eric Bemrose gravure printing subsidiary (causing loss of about £2m) and the loss of 36m copies of newspapers last year, the rise in pre-tax income at News International looks quite respectable. About £1.6m of profits from past holdings in LWT was wiped out by nearly £2m of losses from the New York Post and other U.S. projects; this resulted in a net associated companies loss of £361,000. But the group's 12 per cent pre-tax rise was fuelled by some large promising developments last year. These included an increase in advertising rates of 10 per cent and cover price rises at The Sun and News of the World. Lower newsprint costs also helped the group's performance. The dividend was increased by just over a fifth at the net level and yields 5.7 per cent at 153p, up 3p. The p/e on stated earnings stands at 4.9.

Leyland Vehicles in black

Leyland Vehicles, BL's truck, bus and tractor division which last month launched the new T45 truck range—and, effectively, relaunched itself as a company—made just under £1m profit last year on sales of £500m. This compares with a £15m loss in 1978.

It operated profitably for eight of the 12 months, the other four being hit mainly by the road haulage and engineering disputes.

So far this year LVL has continued firmly in the black.

While its sales are strongly export orientated, the division has been losing ground steadily at home with its market share dropping from 30 per cent in 1973 to about 17½ per cent last year.

Dares Est. climbs to £0.6m

INCLUDING extra-ordinary credits of £263,190 against £125,237, pre-tax profits of Dares Estates advanced from £348,463 to £604,524 in 1979.

The surplus exceeds the August 1980 forecast of £565,000 because of a greater number of sales of flats held as investment proprties, thereby increasing extra-ordinary items, say the directors.

They expect a much reduced profit in the first half of 1980, current trading reflecting the downturn in the housebuilding industry due to high interest rates and a scarcity of mortgage loans. Midway profits last year were £164,460 (£71,111).

The dividend is lifted from 0.75p to 1.13p net with a final of 0.68p.

Before the extra-ordinory erditse, profits of the builder and property holder went ahead from £223,226 to £341,334. Tax taxes £48,518 (£31,599) and the directors say there is a large reserve of tax losses still to be used.

Turnover improved from £3.63m to £5.46m. Stated earnings per 10p share are 3.7p (2.98p) before extra-ordinary items and 5.6p (4.07p) after.

The directors state that profit is now taken only on legal completion of sales — comparative figures have been restated to reflect this change.

Horace Cory slips to £480,000

WITH the second half falling from £257,072 to £230,995, taxable profits of Horace Cory and Co., chemical colour manufacturer, finished 1979 some £30,000 lower at £479,995.

Interest receivable for the 12 months ago was £52,285 against £46,692.

After tax down from £150,000 to £119,759, stated earnings per 5p share have improved from 3.34p to 3.88p, and the final dividend is raised from 0.38318p to 0.7p, making the total 1.3p (0.75828p).

The company has completed plans for an extension to its factory premises and the provision of additional plant, at a cost of some £200,000, to deal with increased production from 1981. A forward sales contract has been signed in respect of this.

Turnover for the year was £2.78m (£2.27m).

Barton closing subsidiary

Wright Anderson and Co., a wholly-owned subsidiary of Barton and Sons, is to close.

This has been brought about by heavy trading losses, soaring costs, disruptions by engineers and British steel strikes and the continuing depression in the construction industry which holds no hope for the future of the comany, the directors state.

The closure will be effected as quickly as possible. All creditors will be paid in full and all legal obligations to staff and employees satisfied promptly and in full.

Other than in the very short term the proposed closure will improve the profitability of Barton. It is not anticipated that the costs of closure will be material in relation to the assets of the group.

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN C	F.280	—	—	6	17	—	—	F.296
ABN C	F.290	6	0	—	—	—	—	"
ABN C	F.300	—	—	13	6	10	6.50	"
ABN C	F.310	—	—	1	4	—	—	"
AKZ C	F22.50	—	—	20	1.80	2	3	F.22.70
AKZ C	F.25	—	—	54	1	12	1.40	"
AKZ C	F.27.50	—	—	—	—	4	1	"
AKZ P	F.22.50	—	—	10	1.60	—	—	"
AKZ P	F.25	1	2	—	—	—	—	"
AKZ P	F.27.50	41	4.50	—	—	—	—	"
ARB C	F.60	1	1.60	4	4.50	—	—	F.62.50
ARB C	F.65	—	—	—	—	4	3	"
ARB C	F.70	—	—	7	0.90	—	—	"
CSF C	F.440	3	37	—	—	—	—	F.467
CSF C	F.460	2	6	—	—	—	—	"
HEI C	F.60	—	—	6	15	—	—	F.75.50
HEI C	F.65	—	—	—	—	1	11.20	"
HEI C	F.70	22	5.70	—	—	—	—	"
HEI C	F.75	—	—	12	4.30	—	—	"
HEI P	F.70	—	—	1	4.30	—	—	"
HEI P	F.75	4	1	15	5.90	—	—	"
HO C	F.20	—	—	20	1.40	2	2.50	F.19.10
HO C	F.22.50	—	—	10	1.20	—	—	"
IBM C	$55	—	—	—	—	12	5¾	$55⅞
IBM C	$65	—	—	—	—	10	2⅝	"
KLM C	F.60	48	3.40	—	—	31	7.50	F.65.50
KLM C	F.70	—	—	27	2.40	12	4.50	"
KLM C	F.80	—	—	31	0.70	10	1.30	"
KLM P	F.60	—	—	10	4	—	—	"
KLM P	F.70	50	6.60	5	8.50	—	—	"
KLM P	F.80	51	16.20	5	16.50	—	—	"
NN C	F.110	3	0.85	—	—	1	5.80	F.109.40
NN C	F.115	—	—	7	2.50	—	—	"
NN P	F.115	—	—	—	—	3	10	"
NN P	F.120	10	12	—	—	10	13.50	"
PET C	Fr.5000	—	—	2	—	—	—	Fr.5060
PHI C	F.17.50	21	1.40	—	2.80	5	2.20	F.18.70
PHI C	F.20	10	0.10	54	0.60	141	0.90	"
PHI C	F.22.50	—	—	7	0.20	7	0.50	"
PHI P	F.20	5	1	—	—	—	—	"
PHI P	F.25	—	—	1	6.50	—	—	"
RD C	F.140	10	15.20	—	—	—	—	F.155
RD C	F.145	113	10.20	—	—	—	—	"
RD C	F.150	500	6	39	9	8	11.50	"
RD C	F.160	68	0.20	47	4.60	—	—	"
RD C	F.170	—	—	47	1.60	25	3.50	"
RD P	F.140	—	—	32	3.30	—	—	"
RD P	F.145	—	—	—	—	2	8	"
RD P	F.150	38	0.30	25	7.50	—	—	"
RD P	F.160	49	5.20	10	12	—	—	"
RD P	F.170	—	16.50	10	20.20	—	—	"
T C	$50	—	—	—	—	2	3⅞	$50
T C	$55	—	—	10	⅛	—	—	"
UNI C	F.105	—	—	—	—	6	7.50	F.110
UNI C	F.110	—	0.90	8	4	—	—	"
UNI C	F.110	15	—	15	3	—	—	"
UNI C	F.120	—	—	—	—	2	2	"
		May		Aug.		Nov.		
OXY C	$30	10	¼	—	—	—	—	$21⅞
SLB C	$110	10	3¼	10	8⅛	—	—	$105½
VW C	DM.180	—	—	5	11.50	—	—	DM184.50

TOTAL VOLUME IN CONTRACTS 1995

C=Call P=Put

More record gold mine profits

BY KENNETH MARSTON, MINING EDITOR

THE STORY of sharply increased gold mining profits for the March quarter of this year in the wake of the higher bullion price received is continued by the mines in the Rand Mines, Johannesburg Consolidated and Anglo-Transvaal groups.

As usual, the average gold prices received by individual mines vary according to the timing of sales—during a period when bullion prices were erratic—and the sharpest gains in profits have been scored by the low grade mines with higher break-even cost of production.

Broadly speaking, the average gold price received by the mines in these groups during the past quarter has been around $650 per troy ounce compared with about $430 in the previous three months.

Outstanding among the March quarter net profits in the Rand Mines group is the 114 per cent advance in that of the marginal grade East Rand Proprietary, which has received a good price of $683, managed to raise gold production and repaid its loan from the state.

Another "marginal," the veteran Durban Deep, has done less well because of reduced production and higher costs, but has still repaid its state loans and interest in full.

Blyvoor and Harmony, both of which enjoy a recoupment of state loan levy repayments as from July 1, last year following the recent South African budget proposals, show up well in the group's quarterly net profits with Blyvoor having a sharply higher uranium profit.

	Mar. qtr. R000	Dec. qtr. R000	Sept. qtr. R000
Blyvoor	26,485	16,699	12,979
Durban Deep	6,444	*4,061	2,086
E. Rand Pty.	13,971	*5,526	4,086
Harmony	37,432	26,326	17,699

Exceptionally lower net profits for the past quarter are reported by the major gold mines in the Johannesburg Consolidated group. Although both Randfontein and Western Areas have reported a reduction in gold production as a result of lower ore grades, the factory really hitting their profits has been sharply increased taxation.

This is explained by the lower rate of offsetting capital expenditure incurred during the past quarter, but both mines anticipate a considerable increase in capital spending during the rest of this year with a consequent "significant" reduction in the tax bill.

Meanwhile, Western Areas has recently announced a long term uranium sales contract which carries an interest-free loan of R30m (£17m), the first R10m of which has been received.

	Mar. qtr. R000	Dec. qtr. R000	Sept. qtr. R000
Randfontein ..	28,533	30,780	22,596
Western Areas .	24,935	34,216	11,759

New record profits are reported by the Anglo-Vaal group's gold producer's Hartebeest, Loraine (exceptionally good thanks to the treatment of surface dumps which has reduced costs) and Eastern Transvaal Consolidated.

A different story, however, is told by the group's antimony-producing Consolidated Murchison. It has seen a fall in sales from the previous bumper quarter—shipments vary from quarter to quarter—and earnings have followed suit.

The copper and zinc-producing Prieska mine, however, has lifted copper sales and this combined with revenue from past shipments has offset the effects of lower production resulting from a mechanical breakdown to raise net profits for the quarter by some 150 per cent.

	Mar. qtr. R000	Dec. qtr. R000	Sept. qtr. R000
Hartebeestfontein	45,840	30,749	22,191
Loraine	6,950	2,793	2,436
Cons. Murchison	1,447	2,377	828
Prieska	8,046	3,207	2,678
East Transvaal ...	3,301	1,989	1,446

ROUND-UP

The Selection Trust group's Australian Seltrust Holdings says in its March quarterly report that at the Mount Wynne joint diamond exploration venture with North West Mining, Haoma Gold Mines and AS Mining Ventures, five microscopic diamonds have been found in a sample examined from one of the pipes. It is stressed, however, that diamonds of this tiny size have no market value. Meanwhile, production continues to go slowly at Seltrust's big 60 per cent-owned Agnew nickel mine. Concentrate production in the 14 weeks to April 6 amounted to 10,298 tonnes compared with 15,661 tonnes in the previous 14 weeks.

* * *

Investment of more than A$1bn (£497m) a year is needed over the next 20 years for Australia to attain its projected coal export targets, according to Mr. Don Carruthers, chief coal executive of Conzinc Riotinto of Australia. He said that almost two-thirds of these funds would be needed in steam coal production for the world's electricity generating facilities.

* * *

Canada's McIntyre Mines expects that 1980 earnings will show some improvement, depending on copper and silver prices. The performance of the 37 per cent-owned Falconbridge Nickel Mines will also have a bearing on the forecast. Meanwhile, McIntyre will continue to look at other mining and mineral investment opportunities.

Mainline £242,000 loss

ALTHOUGH TRADING loss at Mainline Electronic increased from £76,000 to £242,000 for the six months to October 31, 1979, Mr. J. Elger, the chairman of the company, formerly known as Crellon Holdings, says the results are in line with expectations.

Since the end of the period, the group has achieved a strong recovery in its trading position and results to date are in line with budget estimates.

For the year ended April 30, 1979, a trading loss of £352,000 was incurred—no dividends have been paid since 1977.

Half yearly sales fell from £1.49m to £0.96m, reflecting a reduced contribution of £0.66m (£1.43m) from Crellon Electronics which was sold on July 31, 1979. Profits of £22,000 (£4,000) from this company are included in the interim figures.

Interest charge was £10,000 (£38,000) but including this time an extraordinary credit of £351,000, there was a net surplus of £99,000, compared with a deficit of £114,000.

The extraordinary item comprised a profit of £332,000 on the sale of Crellon Electronics and a £19,000 surplus on the redemption of the 8 per cent convertible unsecured loan stock.

The chairman says some new and interesting licencing agreements have been signed and the board is actively pursuing potential markets for the products concerned.

The liquidation of Superlamp Metallic continues and the board is pressing for the return of the balance of the surplus of the money which was originally paid to Williams and Glyn's Bank.

Bambers sale of shares

The directors and close associates of Bambers Stores, the ladies and children's wear retailer, disposed of 17.55 per cent of the company's through the market yesterday.

The company said that the sales, which raised some £2.83m, were to permit the vendors to repay personal bank borrowings and to diversify their portfolio interests. The directors and their families retain 34.2 per cent of the capital, which they say underlines their confidence in the future of the company.

Hedderwick Stirling Grumbar placed the 4.21m shares with institutional and other investment clients at 67½p per share cum dividend.

THE $2.3BN TEXAS PACIFIC DEAL

Guessing game on how Seagram will spend its new funds

BY IAN HARGREAVES IN NEW YORK

LAST FRIDAY, three hours after the deadline imposed by thba bidder, Seagram of Canada answered one of two main questions arising from the Sun Company's $2.3bn bid for its U.S. oil and gas interests.

Seagram said it wanted to sell, and that the buyer would almost certainly be Sun, although the letter of intent signed by both sides does give Seagram the freedom to consider rival offers made before April 25.

It was a difficult decision. Energy is Seagram's only significant non-liquor activity, contributing 7 per cent of its sales and 23 per cent of operating income in 1979.

Sun made the decision easier by making a generous, some say too generous, offer carefully structured to assuage Seagram's natural fears that, like others before, it might be selling its oil too cheaply. The offer values the proven oil reserves of Texas Pacific, the Seagram energy subsidiary, at $12 per barrel, compared with the $8.70 a barrel in the record breaking $3.65bn Shell Oil Belridge Oil takeover last year.

Even for the largest drinks firm in the world, the numbers looked big and tempting. The offer priceis $900m more than the market value of the whole of Seagram on the day before the bid was made public. It is only a whisker short of the company's 1979 sales total. It is five times the book valueof the assets involved and almost 10 times what Seagram paid for Texas Pacific 15 years ago.

If the cash were not sufficiently alluring—and Sun has offered a mixture of straight cash and floating rate notes — Sun has also held out to Seagram the prospect of maintaining a stake in Texas Pacific. The deal says that once Sun has recouped its $2.3bn plus $400m capital spending and a suitable rate of return, Seagram will take up a 49 per cent stake in Texas Pacific's unexplored oil and gas territory and 25 per cent in its production activities.

So, Seagram is a willing seller. But that leads to the second question: what does Seagram want with all that cash?

No one knows the answer. In the frustration caused by this ignorance, Wall Street analysts who follow Seagram have heen reduced to weaving more spectacles around the mere size of the numbers involved. The deal, says one, will more than double Seagram's book value. Another comments that if Seagram investcd the proceeds in tax free bonds, it would immediately more than double its 1979 net income.

There is no suggestion that Seagram needs the money for its drinks business. The company does have a $55m debenture issue to finance this year (part of its $496m long-term debt) but that hardly counts as more than a speck in the context of a bid. As for drinks activities, they are doing very nicely indeed without the need for grand developments. Sales in the drinks business have increased by 24 per cent in the last four years, operating profits by 45 per cent. And even a grand development like the takeover last year of the Sandeman port and sherry company late last year cost only $37m.

The immediate answer to the question of Seagram's plans for its new funds, everyone is certain is acquisitions outside the drinks industry. Acquisition of what? Everyone is guessing again.

The most obvious purchase for a cash-rich Canadian company would be in natural resources, particularly energy, and indeed Seagram is reported to have run a careful eye last year over Hudson Bay Mining. But, presuming this to be ruled out on the grounds of logic, the assumption is that Seagram will go for something in the consumer sector.

**SEAGRAM
SALES AND NET INCOME RECORD**

	*1980	1979	1978	1977	1976	1975	1974
			$m				
Sales	1,557	2,554	2,272	2,184	2,057	1,936	1,846
Net income	56	168	91	87	80	74	82

* 1980 figure is for first six months.

Beyond that, outsiders are guessing on slim evidence. The fact that Mr Philip Beekman, the company's president, worked for some years at Colgate-Palmolive has brought that company's name into contention. Certainly there could be significance in the fact that of the up and coming executives Seagram chose to profile in its 1979 annual report, eight had significant experience with other companies, several of them in cosmetics and toiletries. Another name which entered the lists of speculation this week is the Liggett Group, currently trying to resist a takeover from Grand Metropolitan of Britain and rumoured to be looking for a white knight.

Another thought is in packaging or bottling, where Seagram is heavily dependent upon outside scupplIers. A further disparate consideration, however, might be Seagram's wish to further accelerate the growth of its interests outside North America, which last year accounted for 32 per cent of the company's liquor sales.

The company intends to retain its tiny energy interests in Canada and its potentially very considerable gas lease rights in Thailand, which could require sizeable capital input. It also intends to go on pushing for a bigger share of the burgeoning American market for wine.

Whatever the choice it is evident that Seagram, under no pressure other than the pressure to make a god business decision, has chosen to sell and to set Texas Pacific's locked-in resources to work in some other field, just as last year, under no pressure whatsoever, Seagram decided to sell its famous Park Lane headquarters building for $85m in a lease-back transaction.

The family of Mr. Edgar Bronfman, Seagram's chairman, which stil controls a third of Seagram's stock (and which is not to be confused with the other wing of the Bronfman family which owns big stakes in Edper Equities and Brascan, bidders last year for Woolworth) has a reputation for canny decisions

There are many who remain to be convinced that the dcision to sell the high yielding potential of Texas Pacific is canny, but Seagram seems to have concluded that with its slightly declining oil and gas output and need for heavy capital spending to release the potential of its 3m acres of unexplored fields, that a highly active management is capable of netting even larger returns elsewhere.

With the company's return on equity running at 9.3 per cent (its highest point since 1974 and return on sales (10.9 per cent) and return on average total assets (11.7 per cent) both at ten year peaks, the company will have to do very well to do better than it has done so far.

Strong gains at Saudi International Bank

BY DUNCAN CAMPBELL-SMITH

SAUDI INTERNATIONAL Bank, the London-based consortium bank half-owned by the Saudi Arabian Monetary Agency (SAMA), yesterday reported net profits up 66 per cent to £2.4m ($5.3m) for the year ended December 31, 1979, against £1.4m for 1978. Total consolidated assets also jumped 61 per cent to £785.2m. The growth was supported by additional equity capital of £13m from the existing shareholders, which helped lift total capital and reserves to £41.6m.

Loans, after provisions for possible losses, grew by 47 per cent to £20m. Commenting upon the proportion of total assets represented by this figure, Mr. Edgar S. Felton, chief executive officer of the bank, emphasised the importance of a rapid growth in deposit business as the basis of future client relationships for the bank in Saudi Arabia.

At the same time, loan volume has grown less quickly than anticipated. Narrow margins on eurodollar syndicated business have not encouraged an aggressive stance in that market. Within Saudi Arabia, the bank has been constrained by a high cost of riyal funds, relative to the low costs enjoyed by domestic Saudi banks

Saudi International is 45 per cent owned by Western banks — notably Morgan Guaranty Trust Company, which has 20 per cent — and this precludes it under SAMA rules from opening a branch within the Kingdom.

In other respects, though, the bank's singular ownership structure has clearly stood it in good stead. Aside from interest income on its increased capital, fee earnings in Saudi Arabia made a main contribution to 1979 profits. Contingent liabilities on guarantees and confirmed letters of credit grew during the year from £37.5m to £66.4m.

On this basis, said Mr. Felton, and "a special expertise within Saudi Arabia," SIB looks forward to strong growth which will involve none of the embarrassment to its shareholders experienced by some other consortium banks.

Record rise at Bankers Trust

By Our Financial Staff

RECORD EARNINGS of $37.7m for the first quarter of the year are announced by Bankers Trust New York Corporation. The net total shows a gain of $10.8m on the comparable period, while share earnings have risen from $2.20 to $3.15. The figures are struck before securities transactions and exclude a $6.5m gain on the sale of 16 branches in metropolitan New York.

Mr. Alfred Brittain the chairman said that the earnings improvement resulted from higher net interest income, strong securities trading and foreign exchange results, and increased commission and other income, partially offset by higher operating expenses. However, he warned that results for the first quarter should not be taken as indicative of the full year, pointing to economic uncertainties.

Foreign exchange income totalled a record $13.4m for the first quarter, up by $9.6m from last year. Securities trading profits amounted to $12.4m for the quarter, an increase of $8.7m.

Decline at KAISER resources

BY JOHN MAKINSON

KAISER RESOURCES, the Vancouver-based natural resources company, has reported a sharp fall in first quarter earnings from C$12.8m to C$548,000 (U.S.$464,406).

The figures exclude discontinued operations on which Kaiser has shown an exceptional gain of C$232.4m. This results primarily from the sale of Candian oil and gas interests to Dome Petroleum.

If discontinued operations are included, net operating income shows a fall from $C14.1m to C$3m. Sales for the period dropped from C$96.3m to C$60.6m.

The company said that the lower earnings were mainly the result of a two-month strike by mine workers at Sparwood, British Columbia. Metallurgical coal shipments for the period totalled only 840,000 long tons, almost half the 1.5m tons shipped in the first quarter of 1979.

Kaiser recently purchased 9m of its own shares at C-44 per share. Almost half of the total was acquired from Kaiser Steel, the California integrated steel-maker, which has announced its intention of selling its entire holding in the resources company.

Kaiser Steel still owns around 4.5m shares, representing 25 per cent of Kaiser's remaining share capital. The British Columbia Resources Investment Corporation has an option to buy these shares, which would provide the steel company with a much needed cash injection of $200m.

The option was originally due to expire on April 15 this year, but has since been extended to April 30.

Decline at Northwest Industries

CHICAGO—The successful run run of 36 successive quarterly earnings gains by Northwest Industries has been brought to an end by a downturn in the first quatrer of this year.

Chiefly responsible for ending the nine-year-long uptrend in the March quarter were substantial increases in interest costs and the general malaise that has prevailed in the replacement battery industry for the past nine months, said Mr. Ben W. Heineman, president of the diversified industrial group.

These two influences were major factors behind a reduction in earnings for the three months ended March 31 to about 97 cents a share from $34.1m, equal to $1.10 a share in the like 1979 quarter. General Battery Corporation, a subsidiary affected by the industry's lack of demand, reduced overall earnings between 11 cents and 13 cents a share. Substantial increases in interest expenses cut net by another 11 cents to 12 cents a share.

AP-DJ

U.S. banks raise credit card fees

By Stewart Fleming in New York

IN A BID to boost the profitability of credit card operations, some major U.S. banks have announced plans to raise fees or interest rate charges

The moves follow the recent sharp rise in U.S. interest rates and the imposition of non-interest bearing reserve requirements on some forms of consumer credit, including credit cards, by the Federal Reserve Board

Crocker National Bank of San Francisco, for example, has imposed a 12 per cent fee on credit purchases and cash advances for its 950,000 Visa and Mastercard card holders.

In New York, Citibank said it has increased by one percentage point the discount it levies on Mastercar dand Visa receipts of its merchant customers and has instituted a $75 annual fee for each of itst 3,400 merchant customers.

The Crocker move of charging 12 cents per transaction is partly aimed at offsetting the costs to the bank of credit card customers who pay off their account balances every month and thus avoid finance charges.

Other banks have opted instead to charge a flat fee for all credit card customers. Harris Bank of Chicago, for example, has instituted a $20 a year flat fee for its 350,000 Visa and Mastercard customers.

Westinghouse case settled

WESTINGHOUSE Electric Corporation says that it has reached a final agreement over a uranium supply lawsuit brought against it by South Carolina Electric and Gas and the South Carolina Public Service Authority.

AP-DJ

INTERNATIONAL BONDS

Portland Electric issue

BY FRANCIS GHILES

A $50m STRAIGHT dollar-bond was launched last night by Dean Witter Reynolds for Portland General Electric. The borrower is paying an indicated coupon of 15 per cent for seven years and there is no indicated pricing. The reception afforded to this issue will be closely monitored in the Eurobond market.

Indeed, unlike most of the recent issues, the deal is not underwritten by the managers nor is a final coupon and price indicated at the offset.

Straight dollar bond prices moved up by about a quarter of a point yesterday. Earlier in the day profit taking had pushed prices slightly down but dealers took heart again after New York opened on a strong note.

A new issue is widely expected to be launched, for a Canadian Bank, denominated in Canadian dollars. This would be the first issue in this sector since last September.

Deutsche Mark foreign bond prices moved up again yesterday though some of the more recent high coupon issues shed about ½-1 point on the day.

French franc bonds prices surged ahead by more than 2½ point yesterday while sterling bonds shed about ½ of a point as the UK currency weakened against the dollar.

Clarion takes stake in pay TV

By Our New York Staff

CLARION, THE Japanese car radio and stereo equipment group, has taken major stakes in two U.S. pay television companies.

Through its U.S. subsidiary, Clarion Corporation, the Japanese company has bought a 35 per cent interest in American Subscription Television of California, of Los Angeles, and a 45 per cent stake in American Subscription Television of Wisconsin, of Milwaukee.

The two companies have a "common thread of ownership," according to Mr. James L Le Vitus, Clarion Corporation's president.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on April 15

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	60	84¾	86	0	+2⅝	12.92
Alex Howden XW 9½ 91	30	66	68	0	0	16.02
Australian Res. 9⅞ 84	30	87½	88	+0⅛	+3¼	13.53
Avco O/S Cap. 10⅜ 87	40	76	76½	+0½	+1¾	16.08
Beneficial Fin. 9¾ 87	100	83⅞	84⅜	0	+3⅜	13.27
CECA Grad. Rate 12 86	100	91½	92¼	+0⅛	+2⅛	13.91
CECA 11⅞ 90	50	89	90	+0⅛	+2⅞	13.61
Canadian Pacific 9¾ 89	50	84⅜	85⅛	+1⅛	+3½	12.63
Carter Hawley 9¾ 86	50	84⅛	84⅝	0	+2¾	13.61
Comalco Inv. E. 10¼ 91	40	84⅜	85⅞	−0⅛	+3⅝	12.84
Continental Grp. 9⅝ 86	100	84⅜	84⅞	+0⅛	+3	13.44
Dome Petroleum 10 94	50	79	79½	−0¼	+1½	13.30
Dominion Bridge 10⅞ 84	30	89⅜	89⅞	+0⅛	+2	13.89
EIB 11¾ 92	80	88⅝	89⅛	−0⅛	+2½	13.58
EIB 10.15 99	100	†79	80½	−0¼	+4⅜	13.48
Exportfin 11¼ 87	50	91½	92	−0⅛	+2¾	13.14
Export Dv. Cpn. 9¾ 84	100	88½	89	0	+3⅞	13.11
Export Dv. Cpn. 9⅜ 84	150	89	89½	0	+4⅛	13.08
Finland 9⅝ 89	100	81⅛	81⅞	0	+5⅛	13.54
GTE Finance 9¾ 89	55	83⅜	84⅛	+0½	+3⅛	12.81
GMAC 9¾ 88	100	84	84½	−0⅛	+2⅝	13.11
GMAC O/S Fin. 11 84	100	92	92½	−0⅛	+2⅛	13.29
Gould Int. Fin. 9¾ 85	50	88⅛	88⅝	0	+4	13.11
ITT Antilles 9½ 89	75	81⅞	82⅜	+2½	+3½	13.02
Kennecott Int. 9½ 86	100	84¼	84¾	+0⅛	+3½	13.37
Manitoba 9½ 89	75	81⅛	81⅝	−0⅛	+3	13.13
Michelin 10 94	125	83⅝	84⅛	+0⅛	+6	12.46
Nat. Gas. Telecm. 9½ 86	100	85	85½	0	+3	13.11
New Brunswick 9¾ 84	75	79½	80	−0⅛	+5	12.98
Newfoundland 10 94	50	84½	85	+0⅛	+5⅛	12.34
Norges Komm. 9⅞ 99	100	79⅛	79⅝	+2⅜	+5⅛	13.15
Norway 9½ 84	150	89⅛	89⅝	+0½	+3⅜	13.04
Nova Scotia Pwr. 9⅝ 89	50	82⅞	83⅜	−0⅛	+2½	13.01
Occidental Fin. 10¾ 84	50	90½	91	+0⅛	+3½	13.28
Pennwalt O/S F 9¾ 84	25	89⅜	89⅞	+0⅛	+4⅛	13.14
Pepsico Cap. 9⅝ 84	100	87½	88	+0⅛	+3	13.11
Quebec Hydro 10 89	75	79⅞	80⅜	−0⅛	+3⅞	12.83
Sears Roebuck 9 82	150	92¼	92¾	−0⅛	+2⅛	13.86
Statoil 9⅝ 89	100	84⅞	85⅜	−0⅛	+4½	12.41
Sweden 9⅜ 89	100	84½	85	+0⅛	+4⅜	12.87
Sweden 9½ 86	200	86⅞	87⅜	+0⅛	+2⅝	13.13
Sweden 9⅝ 84	100	89¼	89¾	+0⅛	+4	13.03
Unilever NV 9⅝ 87	100	83⅛	83⅝	+0⅛	+2⅝	12.89
Warner-Lambert 9 84	100	87½	88	+0⅛	+3½	12.92

Average price changes... On day +0⅛ on week +3½

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev. Bk. 8 87	100	90	90⅝	+0⅛	+0⅝	9.85
Asian Dev. Bk. 7⅝ 89	100	84	86	−0⅛	+4	9.86
Australia 8⅝ 90	250	97⅜	98	+0⅛	+3⅝	8.48
Barclays O'seas 6¾ 89	100	85	86	+0⅛	+5½	9.18
BFCE 7¾ 87	100	92	92¾	−0⅛	+1½	9.37
BFCE 8⅝ 95	100	90⅞	91⅞	+0⅛	+3⅞	9.21
Brazil 8 87	150	88½	89⅜	+0⅛	+1½	10.22
[illegible] 7 91	150	86⅞	87⅝	−0⅛	+3⅝	8.90
Council of Eur. 7¾ 89	100	88⅛	88⅞	0	+1¼	9.17
Denmark 7⅝ 86	100	92½	93½	−0⅛	+3	9.49
Denmark 8⅝ 92	100	90⅞	91⅞	+0⅛	+4½	9.45
EEC 7⅞ 84	225	89⅞	90⅜	−0⅛	+3⅛	9.10
EIB 7½ 89	200	88⅞	89⅝	0	+2⅝	9.25
Finland Rep. of 8 86	160	92¼	92⅞	−0⅛	+1	9.56
Kobe, City of 7⅝ 88	150	87⅛	87⅞	+1	+5	9.14
Neder Gasunie 8 86	100	93⅜	94⅛	0	+1½	9.78
New Zealand 7¾ 87	200	89⅝	90⅜	+1⅛	+3⅜	9.02
Norges Komm. 7⅝ 91	150	90½	91½	+3½	+4½	9.05
Norway 7½ 85	250	96⅛	96⅝	−3	+3	8.61
OKB 7⅝ 89	100	86⅜	86⅞	+0½	+3⅛	9.60
Oslo, City of 9⅞ 90	80	95⅝	96⅛	−1⅛	+1⅛	9.42
World Bank 7⅝ 91	400	90	90⅝	+1⅞	+6⅝	9.15
World Bank 7⅞ 99	250	91½	92¼	+0⅛	+3½	9.18

Average price changes .. On day +0⅛ on week +3⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	88	88½	+0⅛	+1	7.25
Aumar 5 89	80	88	88½	+1⅛	+2½	6.75
Australia 3⅞ 89	250	87⅞	88⅛	+1⅛	+6	5.34
Bergen, City of 4⅝ 91	40	86⅛	88⅝	−0¼	+2½	6.47
SNDE 5 89	75	81	81½	−0½	+2⅞	7.92
SMW Overseas 4⅝ 91	100	87⅞	88⅜	+0½	+3¼	5.68
Caisse Nat. Tele. 4⅝ 89	100	90¼	90¾	−0⅛	+6½	5.71
CCCE 5⅝ 90	100	97⅝	98¼	+0⅛	+1⅛	6.04
Copenhagen 4½ 91	80	79⅝	80⅝	−1⅞	+2⅞	7.12
Council of Eur. 5 89	100	88⅝	89⅛	0	+0⅝	6.60
EIB 4½ 91	100	85	85½	−2	+5⅛	6.38
EIB 4⅝ 94	100	83	83½	0	+4⅝	6.16
Elec. de France 4½ 89	100	88½	89	−8½	+2⅛	5.99
GZB 4¾ 89	100	86	86½	−0⅛	+1⅞	6.35
Hilti 4½ 91	35	89	89½	0	+1	5.53
Int.-Amer. Dev. 4½ 88	100	83⅝	84⅛	−2⅛	+3	6.88
Jutland Tele. 5½ 90	50	97⅛	97⅝	+0⅛	+3½	5.84
Malaysia 5 89	80	86⅞	87⅜	+1⅛	+2½	6.91
Nippon Tel. & T. 4⅝ 89	100	90½	91	−0⅛	+5⅛	5.53
Nordic Bank 5 89	45	91	91½	−0⅛	+4	6.27
Norges Komm. 4⅝ 91	100	83½	84	−0½	+3⅞	6.41
OKB 3⅞ 91	100	77⅝	78⅛	−1⅛	+3⅛	6.64
OKB 4⅝ 91	100	84	84½	−1	+3⅛	6.34
OKB 6 90	100	98⅞	99⅜	+0⅛	+0⅛	6.14
Oslo, City of 4⅝ 91	100	83	83½	−1	+3⅝	6.48
Shikoku El. Pwr. 4⅝ 89	100	93⅝	94⅛	0	+5⅝	5.59
Steweag 4⅝ 91	80	87⅝	88¼	−0½	+2⅝	6.27
Voest-Alpine 4¾ 89	90	91	91½	+1	+4⅛	5.02
World Bank 4⅝ 89	100	87⅞	88⅜	−0⅛	+2⅞	6.35
World Bank 4⅝ 89	150	84⅝	84⅞	−0⅛	+3⅛	6.63
World Bank 4⅝ 91	100	83½	84	−0⅛	+3½	6.68

Average price changes... On day −0⅛ on week +3⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	83⅝	84⅛	+0⅛	+1⅜	11.48
Australia 6½ 88	20	73	74	−0⅛	0	11.72
EIB 7⅛ 89	12	82⅝	83½	+0⅛	+3	10.89
Finland 5.6 83	10	81⅞	82⅞	−0⅛	+1⅛	12.19
Finland 5.8 88	10	74	75	0	0	11.85

Average price changes... On day +0⅛ on week +1⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Avco Fin 10⅜ 89 C$	35	77⅝	78⅜	0	−0⅛	15.22
Bell Canada 10⅜ 85 C$	60	85⅝	86⅛	0	+0½	14.12
Cr. Foncier 10⅜ 84 C$	30	85½	86⅛	+0⅛	+0⅛	14.86
Ex. Dev. Cpn. 10 84 C$	50	87⅛	87⅝	+0½	+1⅛	14.27
Fst. Can. Inv. 10 84 C$	50	86⅛	86⅝	+0⅛	+1⅛	14.60
Hudson Bay 10½ 89 C$	60	81	81½	+1⅛	+2⅝	14.34
Quebec 10¾ 89 C$	50	83⅝	84⅜	−0⅛	+0⅛	14.41
R. Bk. Canada 10.85 C$	40	86½	86⅞	+0⅛	+1⅞	13.33
R. Bk. Canada 10 94 C$	40	76⅝	77⅛	+0⅛	+1⅛	13.77
Copenhagen 8⅝ 91 EUA	20	87⅛	89	0	+0⅛	10.55
M. Bk. Dnmk. 9 91 EUA	25	90½	92	0	+0⅛	10.31
SOFTE 8⅝ 89 EUA	40	82	83½	−0⅛	−0⅛	11.42
U. Bk. Nrwy. 9½ 90 EUA	18	97⅞	98½	+0⅛	+0⅛	9.84
Algemene Bk. 8⅝ 84 Fl	75	†94	94⅝	+0⅛	+2⅜	9.85
Ned. Gasunie 8¾ 84 Fl	90	†94⅜	95⅛	+1⅞	+4	10.25
Ned. Middbk. 8⅝ 84 Fl	75	†93⅞	94	0	+2⅞	10.24
Norway 8⅝ 84 Fl	100	†93	93½	0	+2⅜	10.43
Norway 8⅜ 84 Fl	100	†93	93½	0	+1⅞	10.18
Philips Lamps 8⅝ 84 Fl	75	†93½	94⅛	+0⅛	+2⅛	10.27
Air France 11 84 FFr	120	93⅛	94⅛	+2⅜	+2⅝	12.94
CECA 14¼ 89 FFr	150	101⅞	102⅞	+0⅛	+2	13.84
Euratom 9¾ 87 FFr	150	83⅜	84⅛	+2⅝	+2⅞	13.45
Finland 11 84 FFr	80	92	93¼	+2⅞	+3⅛	13.23
Finland 11½ 89 FFr	70	88⅛	89⅛	+4	+4⅛	13.66
Gaz de France 11 84 FFr	150	92⅝	93⅞	+2	+2⅝	13.01
IBM France 11⅞ 84 FFr	120	93⅞	95⅛	+3⅛	+3⅛	13.48
Renault 9⅞ 85 FFr	100	85	86⅛	+3⅜	+3⅛	13.75
Saint-Gobain 9⅞ 86 FFr	130	84⅞	85⅛	+3½	+3⅞	13.58
Solvay et Cie 9⅝ 87 FFr	125	90	91	+2	+3⅛	14.34
Citicorp O/S 13½ 90 £	50	92⅜	93⅜	−0⅛	+2⅞	14.87
EIB 11½ 91 £	25	86⅜	86⅞	−0⅛	+3⅞	13.93
Finance for Ind. 13 91 £	18	90⅜	91⅞	−0⅛	+2⅞	14.87
Fin. for Ind. 12½ 89 £	30	88⅛	89⅜	−0⅛	+2½	14.75
Fin. for Ind. 14½ 89 £	20	97⅜	98	−0⅛	+2⅛	15.01
Gen. Elec. Co. 12⅛ 89 £	50	90⅜	91	+0½	+1	14.42
Indonesia 8⅝ 91 KD	7	†93	93½	0	0	9.75
Mitsubishi 7½ 84 KD	10	89⅜	90⅜	0	0	10.45
Norges Kom. 7½ 89 KD	12	†93⅜	89⅞	0	0	8.53
Occidental 8⅝ 91 KD	7	†90⅜	90⅝	0	0	9.68
Akzo 9⅝ 87 LuxFr	500	86⅝	87⅝	+0⅛	+2⅛	11.91
Euratom 8 87 LuxFr	500	83⅛	84⅛	0	+4⅝	11.52
Euratom 9⅝ 88 LuxFr	500	93⅝	94⅝	+1⅛	+4⅝	10.94
EIB 9⅝ 88 LuxFr	600	92¾	93¾	+0⅛	+2⅝	11.18
Volvo 9⅝ 87 LuxFr	500	91⅛	92⅛	+0⅛	+4⅛	11.40

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bk. 5⅝ 87	0⅛	96½	97	2/7	15⅛	15.63
Banco di Roma Int. 8 87	0⅛	98½	89⅛	26/4	15⅛	15.91
Bank of Ireland 5⅝ 89	‡0⅛	87	87½	21/5	16⅛	18.58
Bank of Tokyo 5⅝ 89	‡0⅛	97⅛	87⅝	25/4	14.56	14.96
Barclays O/S Inv. 5 90	0⅛	96½	97	13/6	14⅛	14.73
Bergen Bk. A/S 5 89	‡0⅛	96⅝	97⅛	29/5	17⅛	17.78
Bque. Indo Suez 5¼ 89	0⅛	96⅞	97⅜	11/7	14.69	15.12
Citicorp O/S F. 5 94	‡0⅛	99⅜	99⅞	8/8	18.81	18.91
Citicorp O/S F. 83	§‡0	98⅞	99⅜	23/5	18.06	16.20
Citicorp O/S F. 84	‡0	99⅛	99⅝	30/5	16.94	17.02
C. Itoh 5⅝ 87	0⅛	98⅜	99⅛	18/8	19.44	19.66
Co-operative Bk. 8 86	0⅛	97½	98	15/5	15.06	15.41
Creditanstalt 5½ 91	§‡0⅛	98⅜	98⅞	14/8	18.44	18.72
CNT 5⅝ 86	§0⅛	99⅛	99⅝	18/10	18⅛	18.24
GZB 5½ 89	‡0⅛	97⅝	98⅛	1/5	14⅝	14.92
Jugobanka 5 89	0⅛	91	92	28/5	18	17.49
Ind. Bank Japan 5⅝ 87	0⅛	98	98½	15/10	18⅛	15.08
LTCB Japan 5⅝ 88	0⅛	97⅛	97⅝	13/5	14⅛	14.63
LTCB Japan 5½ 89	0⅛	96½	97	7/8	14.19	14.66
Mfrs. Han. O/S 5⅝ 94	‡0⅛	98⅜	98⅞	30/5	17⅛	17.38
Midland Intl. Fin. 5 89	0⅛	96	96½	20/6	15	15.27
Nacional Fin. 6⅛ 86	0⅛	97⅛	97⅝	25/7	14.69	15.08
Nat. West. 5⅝ 94	§0⅛	97⅜	98⅛	11/10	18⅛	15.07
Nippon Credit 6⅛ 86	0⅛	95⅞	96⅜	12/7	14.44	15.02
Nippon Credit 5⅝ 87	‡0⅛	97⅛	97⅝	6/5	14.69	15.06
Royal Bk. Scot. 5⅝ 94	§‡0⅛	98½	99⅛	11/7	19½	15.70
Soc. C. de Bque. 6⅛ 87	0⅛	98⅝	98⅞	3/10	20.06	20.34
Sopenal 5⅝ 89	§0⅛	96⅜	97⅛	13/7	14.44	14.88
Standard Chart. 6⅛ 90	0⅛	97⅝	98⅛	6/8	17⅛	17.60
Sweden 5⅝ 91	‡0⅛	96⅞	97⅛	18/4	14.44	14.87
TVO Pwr. 8 91 (D-lock)	0⅛	96⅛	96⅝	24/5	15.31	15.87
Williams & Glyn 5⅝ 91	0⅛	97½	89	14/6	18½	18.93
Bq. E. d'Alg. 4⅝ 89 SF	0⅛	88	90	15/5	6.88	7.51

Average price changes . On day +0⅛ on week +0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem.
AGA Akt'bolag 7⅛ 89	10/79	145	†102	103	−0½	−10.89
Ajinomoto 7⅛ 95	2/80	618	89½	90⅛	+0⅛	0.53
Alco Int. Fin. 9½ 94	1/80	40	83⅝	84⅞	−0⅛	28.97
Asahi Optical 7 94	11/79	605	87⅛	88⅞	+2⅞	12.02
Canon 6⅝ 94	6/79	570	96⅛	97½	−0½	4.31
Ciba-Geigy O/S F. 4 94	9/79	675	70⅜	71½	+6⅛	5.52
Credit Suisse 4⅛ 93	10/79	1325	88½	89½	−1⅛	0.04
Dalof Inc. 8⅝ 94	11/79	1020	89⅞	90⅞	+0⅛	40.52
Enserch Fin. 9½ 94	7/80	30.25	100	101	−0½	9.58
LPC Internatnl. 5 89	9/79	23.33	94	95½	+0⅛	21.12
Maidensha Elec. 7 94	12/79	210	89⅛	90⅝	+0½	20.24
Mitsubishi Cp. 6½ 94	10/79	604	114⅝	116⅛	+0⅛	12.24
Nippon Seiko 7⅛ 94	12/79	339	98⅛	99⅝	+5⅛	−1.87
Nitto Elec Ind 6 94	7/79	735	63½	64½	+0⅛	83.89
Toshiba Cpn. 7⅛ 94	10/79	198	88⅛	89½	+0½	5.56
Union Bk. Switz. 5 89	2/80	125	91	92	−0⅛	−7.76
Fujitsu 5 84 DM	7/79	475	92⅛	93	−0⅛	8.24
Kansai Elec. 4 84 DM	4/79	1234	83⅞	84⅛	−0⅛	55.74
Tokyu Ld. Co. 4 86 DM	4/79	483	73	74	+0⅛	47.26
Uny Co. 6½ 85 DM	11/79	1071	88⅛	89⅛	0	41.30

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

U.S. QUARTERLIES

AKZONA

First quarter	1980 $	1979 $
Revenue	293.19m	260.10m
Net profits	5.31m	9.33m
Net per share	0.43	0.76

ALLIS-CHALMERS

First quarter	1980 $	1979 $
Revenue	473.5m	446.4m
Net profits	7.26m	20.87m
Net per share	0.52	1.60

AMERICAN HOSPITAL SUPPLY

First quarter	1980 $	1979 $
Revenue	545.7m	481.1m
Net profits	30.6m	25.7m
Net per share	0.77	0.65

BOISE CASCADE

First quarter	1980 $	1979 $
Revenue	730.9m	635.3m
Net profits	36.24m	34.49m
Net per share	1.28	1.27

BUCYRUS-ERIE

First quarter	1980 $	1979 $
Revenue	143.9m	135.0m
Net profits	14.7m	14.0m
Net per share	0.72	0.68

CERTAINTEED

First quarter	1980 $	1979 $
Revenue	211.9m	196.6m
Net profits	†87,000	2.19m
Net per share	†0.09	0.08

† Loss

CPC INTERNATIONAL

First quarter	1980 $	1979 $
Revenue	955.07m	859.56m
Net profits	33.44m	31.89m
Net per share	1.40	1.34

DAMON CORPORATION

Second quarter	1980 $	1979 $
Revenue	35.8m	30.8m
Net profits	718,842	†578,220
Net per share	0.11	†0.09
Six months		
Revenue	67.9m	62.0m
Net profits	1.25m	†310,305
Net per share	0.19	†0.05

† Loss

FEDERAL-MOGUL

First quarter	1980 $	1979 $
Revenue	173.4m	151.1m
Net profits	9.2m	10.7m
Net per share	0.72	0.84

FOTOMAT CORPORATION

Fourth quarter	1980 $	1979 $
Revenue	53.0m	46.7m
Net profits	†4.58m	†1.06m
Net per share	†0.57	†0.13
Year		
Revenue	207.4m	192.5m
Net profits	†4.69m	8.30m
Net per share	†0.57	0.77

† Loss

GT. NORTHERN NEKOOSA

First quarter	1980 $	1979 $
Revenue	329.0m	268.3m
Net profits	21.2m	20.9m
Net per share	1.36	1.31

IMPERIAL CORPN. OF AMERICA

First quarter	1980 $	1979 $
Revenue	173.3m	133.3m
Net profits	19.56m	18.95m
Net per share	1.38	1.20

INTERNTL. MINERALS/CHEMICAL

Third quarter	1980 $	1979 $
Revenue	459.5m	374.5m
Net profits	35.1m	32.7m
Net per share	2.15	1.82
Nine months		
Revenue	1.29bn	1.04bn
Net profits	109.9m	84.3m
Net per share	5.00	4.69

LONE STAR INDUSTRIES

First quarter	1980 $	1979 $
Revenue	179.9m	146.5m
Net profits	3.5m	†639,000
Net per share	00.33	†0.06

† Loss

McGRAW-HILL

First quarter	1980 $	1979 $
Revenue	213.8m	174.1m
Net profits	14.92m	13.25m
Net per share	0.60	0.53

MALONE & HYDE

Third quarter	1980 $	1979 $
Revenue	430.5m	366.5m
Net profits	5.78m	5.28m
Net per share	0.75	0.71
Nine months		
Revenue	1.26bn	1.06bn
Net profits	15.62m	13.58m
Net per share	2.05	1.84

MANUFACTURERS HANOVER

First quarter	1980 $	1979 $
Net profits	56.66m	51.06m
Net per share	1.70	1.56

MELLON NATIONAL

First quarter	1980 $	1979 $
Net profits	26.13m	24.18m
Net per share	1.33	1.22

MERRILL LYNCH

First quarter	1980 $	1979 $
Revenue	634.3m	438.1m
Net profits	35.1m	19.7m
Net per share	0.97	0.54

N. AMERICAN PHILIPS

First quarter	1980 $	1979 $
Revenue	592.4m	546.1m
Net profits	15.92m	14.80m
Net per share	1.22	1.14

OWENS-CORNING

First quarter	1980 $	1979 $
Revenue	579.3m	502.3m
Net profits	18.9m	32.3m
Net per share	0.62	1.00

OWENS-ILLINOIS

First quarter	1980 $	1979 $
Revenue	938.0m	878.6m
Net profits	26.51m	17.99m
Net per share	0.90	0.60

PACIFIC LIGHTING

First quarter	1980 $	1979 $
Revenue	901.2m	544.7m
Net profits	21.22m	28.93m
Net per share	0.86	1.21

POTLATCH CORPORATION

First quarter	1980 $	1979 $
Revenue	200.2m	197.1m
Net profits	11.3m	18.9m
Net per share	0.75	1.25

RUBBERMAID

First quarter	1980 $	1979 $
Revenue	87.7m	72.2m
Net profits	4.57m	5.67m
Net per share	0.59	0.74

TEXAS BANCORP

First quarter	1980 $	1979 $
Net profits	20.5m	15.2m
Net per share	1.58	1.29

TRANE

First quarter	1980 $	1979 $
Revenue	185.62m	155.39m
Net profits	8.49m	7.48m
Net per share	0.83	0.69

UNION PACIFIC

First quarter	1978 $	1979 $
Revenue	1.25bn	901.8m
Net profits	102.03m	84.10m
Net per share	2.13	1.77

U.S. BANCORP

First quarter	1980 $	1979 $
Net profits	14.32m	12.31m
Net per share	0.10	0.86

WALT DISNEY PRODUCTIONS

Second quarter	1980 $	1979 $
Revenue	218.1m	186.7m
Net profits	33.01m	25.74m
Net per share	1.02	0.79
Six months		
Revenue	403.8m	341.4m
Net profits	58.67m	43.75m
Net per share	1.81	1.35

WESTERN BANCORP

First quarter	1980 $	1979 $
Net profits	56.95m	51.62m
Net per share	1.46	1.40

BIS details plans for maintaining banking standards

THE FULL text of the communique published yesterday by the Bank For International Settlements is as follows:

- At their meetings in Basle on March 10 and April 14, the central bank governors of the group of ten countries and Switzerland exchanged views on the evolution during recent years, and the future prospects, of the international banking system in general, and the Euro-currency market in particular.

- The governors recognise the important part played by the banks in recycling large surpluses which have arisen during the last few years. They noted that international bank lending aggregates have been expanding at an annual rate of some 25 per cent. Moreover, the contribution of the international banking system to recycling the large OPEC surpluses that have re-emerged will lead to further substantial growth of these aggregates.

- In view of the present volume of international bank lending and of its prospective future role, the governors are agreed on the importance of maintaining the soundness and stability of the international banking system and of seeking to avoid and undesirable effects either worldwide or on the conduct of policy in particular countries.

- With these conditions in mind, the governors have decided to strengthen regular and systematic monitoring of international banking developments, with a view to assessing their significance for the world economy, for the economies of individual countries, including particularly the operation of their domestic monetary policies, and for the soundness of the international banking system as a whole. A standing committee on Euromarkets will consider the international banking statistics compiled by the BIS and other relevant information and report to the governors at least twice a year, and more frequently if developments call for it. These arrangements for closer surveillance could provide a framework for intensifying, if appropriate, co-operation on monetary policies between the countries concerned.

- Recognising that individual banks, or the international banking system as a whole, could in future be exposed to greater risks than in the past, the governors reaffirm the cardinal importance which they attach to the maintenance of sound banking standards — particularly with regard to capital adequacy, liquidity and concentration of risks. To this end, they place high priority on bringing into full effect the initiatives already taken by the Committee on Banking Regulations and Supervisory Practices, with regard to the supervision of banks' international business on a consolidated basis, improved assessment of country risk exposure, and the development of more comprehensive and consistent data for monitoring the extent of banks maturity transformation.

- The governors note that differences in competitive conditions between domestic and international banking that arise out of official regulations and policies stimulate growth of international bank lending in general: and that transactions channelled through the Euro-currency market can pose problems for the effectiveness of domestic monetary policy in those countries where such differences are particularly significant. The governors will continue efforts already being made to reduce the differences of competitive conditions, duly recognising the difficulties arising from differences in the national structure and traditions of the banking system.

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Dutch insurance group tops earnings forecast

BY OUR FINANCIAL STAFF

PROFITS ahead of forecast are reported by Dutch insurance group Amev which has emerged from 1979 with a 20 per cent gain in net profits at Fl 115.1m ($56m).

Half-way through last year net profits were running some 15 per cent ahead and, at the time, Amev suggested that, for 197 as a whole, a gain of at least 15 per cent would be achieved.

At the per share level Amev has finished the year with Fl 16.12, compared to Fl 14.49m. Total dividend is going up from Fl 6 to Fl 6.6 a share, plus an unchanged Fl 0.50 in shares.

Life sums assured rose to Fl 53.7bn from Fl 46.6bn with trading profits from this quarter improving to Fl 98.8m from Fl 74.5m. Indemnity insurance profits rose to Fl 48.2m from Fl 42.8m, and other activities provided Fl 15.9m, against Fl 20.1m.

Last month Amev, which is the second largest insurance group in Holland after Nationale Nederland, announced a $134m takeover bid for Inter-financial of Atlanta of the U.S., a life insurance, coosumer credit and property group.

The proposed deal, a relatively large one for Amev, follows recent acquisitions in the UK and Australia.

● Elsevier-NDU, the recently merged Dutch pnblisbing gronp sees good prospects for the development of electronic information systems in the U.S. and Japan, writes Charles Batchelor from Amsterdam.

Opportunities in the Netherlands and the rest of Europe are more restricted because of the monopoly position of state-run Post Offices and nutdated legal controls, the Board said.

The company expects a further rise ot its turnover in the U.S. this year, from Fl 47m in 1979 following two recent acquisitions. Elsevier-NDU spent Fl 10tm last year on acquisitions including Congressional Information services (CIS) and Education and Economic Systems (EES).

Elsevier-NDU now plans to consolidate its position and no more major acquisitions are expected, it said. It hopes to achieve at least an unchanged profit this year on 10 per cent higher turnover.

The integration of Elsevier and NDU went ahead as planned last year. Profits came under pressure from the development costs of a new encyclopaedia and the costs of disposing of a magazine publishing subsidiary.

Olivetti near pact with Saint Gobain

By Paul Betts in Rome

OLIVETTI, the leading Italian electronics and office equipment group, is holding advanced talks with Saint-Gobain-Pont-a-Mousson which would soon lead to an important agreement between the two companies, Olivetti has so far declined to comment, but is expected to make an announcement later this week.

However, the company denied reports that the French group was considering taking a shareholding in Olivetti of up to 20 per cent.

The talks between Sig. Carlo de Benedetti, Olivetti's managing director, and M. Roger Faroux, chairman of Saint-Gobain, are understood to have taken place in the framework of the EEC's recent initiative aimed at strengthening the data-processing sector in the community.

An eventual agreement between the two companies also represent a further significant step in Olivetti's broad strategy to strengthen its electronics sector. The Italian company recently entered in a joint venture with Memorex, the U.S. computer group, in which the Italian company will control a 60 per cent stake.

Other recent international agreements between Olivetti and other major electronics concerns include a distribution deal with Hitachi of Japan and the U.S. IPL company in the medium and large computer market, and a manufacturing deal in the telecommunications sector with the French Matra group.

The Italian company also confirmed yesterday that it will report an operating profit for 1979 and will return a dividend for the first time since 1974.

HANOVER TRADE FAIR

AEG bases sales strategy on energy

BY KEVIN DONE IN HANOVER

AEG-TELEFUNKEN, West Germany's second largest electrical and electronics concern, is aiming to boost sales of energy-related equipment to 60 per cent of group turnover by the end of the 1980s, Herr Heinz Dürr, executive chairman of the company, said yesterday.

The financially-troubled electrical giant, which was rescued from collapse late last year through the concerted action of West German and foreign banks, insurance groups and large industrial companies, is basing an important part of its strategy for the next decade around the development of energy-economising products, particularly through the use of micro-electronics in sectors such as transport, household appliances, industrial plants and telecommunications, said Herr Dürr.

The theme of the "energy economy" will also dominate work in the company's energy supply sector, with an emphasis on new fuel sources such as solar energy.

Last year AEG had a group turnover of DM 14.2bn. Only some 15 per cent of current sales could be included in the category of energy-related technology, said Herr Dürr, compared with the hoped for 60 per cent by 1990.

Of group sales last year 23 per cent came from the energy and industrial technology division folowed by 22 per cent from household appliances, 19 per cent from the telecommunications and transport sector and 17 per cent from industrial and electronic components.

Home entertainment products, such as television sets, radios and stereo systems, one of the group's main loss-makers, accounted for 13 per cent of sales while office equipment provided 6 per cent of group turnover.

AEG was also aiming as a major priority to sell more abroad, said Herr Dürr, particularly by expanding its manufacturing presence outside Germany. Last year foreign sales accounted for about 42 per cent of group turnover.

The urgent need to develop new product strategies in order to secure the group's financial basis was most strongly underlined last year when AEG made a loss of some DM 960m—including more than DM 500m spent on restructuring loss-making sectors.

The company's research and development effort is being concentrated on two major divisions, energy and industrial technology, and telecommunications and transport.

Herr Dürr said that in future energy circuits would have to be developed much more as "closed systems" in contrast to the almost exclusive use of "open systems" at present.

In households, which account for some 30 per cent of West Germany's energy consumption, development work could lead to closed systems whereby energy used for one purpose, such as heating bath water, could be stored for further use such as heating washing-up water, said Herr Dürr.

French steel rationalisation

BY TERRY DODSWORTH IN PARIS

FURTHER STEPS to rationalise the French special steels industry are expected within the next few weeks following talks between some of the main companies in the sector.

Special steels were largely excluded from the Government-backed reorganisation of the bulk steel-making industry launched in 1978. But the losses of several of the specialised groups, combined with the fragmented organisation of the companies in this business, have led to continued speculation about their future.

Last year, Sacilor, France's second largest steel company, took over Acieries d Pompey, one of the leading specialist companies which was saddled with heavy debts at the time. Since then, Sacilar has made no secret of its ambition to expand even further in this sector, on the grounds that many of the world's leading companies now combine bulk steel-making with specialised activities.

Sacilar'st aims have been further underlined this week in a statement by M. Jacques Mayoux, the company's chairman, to the effect that the group would like to diversify still further. His remarks came after an interview with M. Raymond Barre, the Prime Minister, at which plans for the special steels sector in general are believed to have been mulled over.

Sacilor is known to have been talking recently to Pechiney Ugine Kuhlmann, the aluminium and chemicals company, which has lost money heavily in its steel division in recent years. PUK is anxious to reduce its commitment in this area, but it is likely that the Government would have to give some financial assistance in any agreement with Sacilor — a company which is still heavily dependent on state support.

Usinor, the largest of the French bulk steel-makers, is also interested in diversifying its product lines. Before the 1978 reorganisation of the industry, it had taken over some of the special steel interests of Chiers Chatillon and it is believed to have held more talks with other specialised companies last year.

Apart from Ugine Aciers, the other large specialised company which could be affected by a reorganisation is Creuzot-Loire. Creuzot has also lost money in its special steels division in recent years, but has gradually been correcting these problems. It has been widely suggested that Creuzot's activities could be linked with Usinor's.

Svenska Flakt sees improved result

By Victor Kayfetz in Stockholm

SVENSKA FLAKT, the Swedish industrial ventilation and pollution control group, expects a weak first half for both sales and earnings but higher profits for 1980 as a whole, managing director, Mr. Bengt Berg told the annual meeting.

He said this represented a repetition of last year's pattern of a weak first half and a strong second half. Fläkt posted a pre-tax profit in January-June 1979 of only SKr 1.4bn, but full-year earnings of SKr 78.2m

DM 24m rights issue by Brown Boveri Germany

BY OUR FINANCIAL STAFF

BROWN BOVERI, the West German subsidiary of the Swiss engineering group, reports higher sales and order intake for the first quarter of 1980 and proposes to raise DM 24m ($12.8m) via a rights issue.

Having dipped in 1979, group new orders rose by 4½ per cent during the opening three months of 1980, and sales were running some 6 per cent ahead, the company said yesterday. Sales for the whole of 1979 rose by 2½ per cent.

Brown Boveri is maintaining its dividend at DM 8 a share for 1979. The payment will not rank for the proposed new shares which are to be issued on a one-for-12 basis at DM 100 each.

The company is 56 per cent owned by the BBC group, the third largest industrial company in Switzerland.

In February this year the German subsidiary said its 1979 profits would show little change from the DM 41.7m (down DM 10.1m) achieved for 1978.

Spanish bank profits rise by over 18%

By Our Madrid Correspondent

DESPITE THE continuing recession and risings costs, Banco Hispano-Americano, Spain's third biggest bank, made Pta 5.7bn ($79.75m) in after-tax profits, for 1979, an increase of 18.8 per cent.

However, the bank had to set aside Pta 11.1bn to cover doubtful debts, amortisation and investment write-downs, which is 74 per cent up on the sum Hispano-Americano set aside for 1978. This provision is the largest so far announced by the leading Spanish banks.

"Signs of recovery in the level of business activity"

Extracts from a statement by the Chairman, M G R Sandberg, O.B.E.

New location for Head Office

Since The British Bank of the Middle East became a member of The Hongkong Bank Group, our operations have become increasingly integrated with those of the Group's other members. The recent move of our Head Office to Hong Kong will ensure the closest liaison with Group Head Office and enable the Group to give the most efficient possible service to its customers.

The Year's Results and Capital Structure

The overall operating profit for the year showed some improvement on that for the previous year. Interest rates in the Middle East have risen and there have been signs of a recovery in the level of business activity.

Comparison between our results for 1979 and 1978 is affected by the appreciation of sterling, which has reduced the value in sterling terms of remittances of profits by branches.

The Bank's consolidated after-tax published profit was £5,637,649, compared with £4,821,492 in 1978.

Dividends paid to the parent shareholder were £3,500,000.

The consolidated Reserve Account has increased to £25,307,045. The unappropriated profit carried forward will be increased by £907,971 to a total of £2,729,026, so that the consolidated total of Issued Capital and Reserves of the Bank will stand at £50,536,071.

The Balance Sheet

The principal item affecting comparison of our 1979 Balance Sheet with that of 1978 is the appreciation of sterling against the US dollar, in which currency a significant proportion of our deposits is denominated. Thus, the apparent decline in Current, Deposit and Other Accounts of £52 million (from £1,369 million to £1,317 million) represents at the least a maintained deposit base. Cash and Short Term Funds, at £532 million, show an increase of 22%. This shows a stronger liquid position than in previous years, and represents over 39% of Current Liabilities. This increased liquidity reflects the reduction in holdings of Trade Bills and Certificates of Deposit Purchased totalling £64 million, while our Time Deposits with Banks totalling £243 million now represent a further 18% of Current Liabilities.

Nationalisation of The Bank of Iran and the Middle East which has adversely affected the 1979 results has also reduced the level of Fixed Assets which otherwise show no significant change.

The Middle East Scene

In our long experience of serving the people of the Middle East we have undergone many changes, some voluntary, some not. Last year was a restless one in the region and some of our branches were confronted with exceptional difficulties, which our staff handled with their accustomed skill. These were the conditions in which it was considered desirable to strengthen liquidity.

In economic matters the most significant event was the loss of Saudi Arabia's stabilising influence over oil prices. In December 1978, just after the OPEC meeting had produced a programme for regular quarterly price increases for 1979, exports from Iran ceased altogether and did not resume for three months. Saudi Arabia endeavoured to provide compensating supplies but its ability to raise its production proved to be considerably less than had been generally believed, while a severe winter added to the difficulties of consuming countries.

Although preliminary estimates of 1979 trade figures confirm a slackening of pace the more populous states continue to have large development needs and it is hoped that they will be able to maintain their progress.

The Staff

I thank all the staff for their successful efforts in a testing year.

Branches:
Bahrain · Djibouti · India
Jordan · Lebanon · Oman
Qatar · Switzerland
United Arab Emirates
United Kingdom
Yemen Arab Republic

Associates:
Cyprus · Saudi Arabia · Tunisia

Head Office:
1 Queen's Road Central
Hong Kong
Telephone: 5-2677-111
Telex: 73201

In London:
99 Bishopsgate
London EC2P 2LA
Telephone: 01-638 2366
Telex: 889185

The Chairman's Statement is contained in a Report and Accounts book obtainable from the London Office (M.I.R. Dept.).

The British Bank of the Middle East

A Member of The Hongkong Bank Group

Refuge assurance

STATEMENT BY THE CHAIRMAN, MR. P.W.D. SMITH.

To be presented at the Annual General Meeting to be held on 8th May 1980.

The accompanying accounts show a substantial increase in premium income in each of the three Branches, in spite of the difficulties experienced in the early part of 1979 as a result of adverse weather conditions and nationwide strikes in several key service industries. Regrettably, the percentage increase in real terms was lower than that obtained in 1978, because inflation — as measured by the Retail Price Index — was at a much higher level in 1979.

Board and Management Changes

As foreshadowed in my statement a year ago, Messrs. W. N. Brewood and R. Stevenson were appointed as Directors from 1st January 1980. Mr. Stevenson relinquished his executive position as a joint General Manager at the end of 1978, but we shall have the benefit of his advice in a non-executive capacity. Mr. Brewood retains his executive position as joint General Manager and will have overall responsibility for all administrative aspects of the Company's business; Mr. V. G. Ramsden, who continues as Executive Director and Joint General Manager, will have overall responsibility for all marketing matters.

Towards the end of 1979, Mr. H. S. Sever indicated his intention to retire at the end of March 1980, and his decision was accepted with regret. Our thanks for valuable services rendered to the Company over a long period go to him, and also to Mr. R. F. Pennington and Mr. J. Proctor-Pearson, both of whom retired from the Board at the end of 1979. Mr. Proctor-Pearson is the longest-serving Director in the Company's history, having served in that capacity for 47 years. Your Directors consider that his family, as major shareholders, should continue to be represented at Board level, and at the Annual General Meeting it will be proposed that Mr. R. J. Proctor-Pearson should be appointed as a non-Executive Director. He is a qualified solicitor and is no stranger to Refuge, having worked full-time for the Company from 1962 to 1969.

Mr. C. Jarvis retired in November 1979 after serving for more than 14 years as the Company's Surveyor. Mr. B. R. Todd has been appointed to succeed him in this capacity.

Life Assurance Premium Relief

The new system of allowing tax relief by deduction from the premium at the time of payment came into operation on 6th April 1979. In the Industrial Branch the practical difficulties of applying a 17½% reduction to the mass of policies issued before this date and subject to small premiums were avoided by a special arrangement under which policyholders continued to pay the same cash amount to the Company. These payments are regarded as being net amounts after deduction of L.A.P.R., and the corresponding amount of relief recovered from the Inland Revenue, subject to a minimal deduction to cover administrative expenses, is applied to increase the sums assured. No part of the relief in respect of these policies, which in 1979 totalled £5,095,000 is available towards the cost of staff remuneration and general overhead expenses.

Administration

The changeover to the new system for dealing with life assurance premium relief, to which I referred above, was carried out successfully, but not without a great deal of extra effort and overtime work, particularly by the computer staff. This group of the Company's staff also carried a heavy burden of additional work as a result of the installation of a new computer early in 1979. The task of converting existing programs to a form suitable for the new machine has been a gradual process, but I am happy to say that the transfer of work is now nearing completion. Increasing use of the new installation will greatly streamline the handling of data and we look forward to utilising the facilities which it provides to effect further improvements in the efficiency of our administration.

Chief Office Building

At a press conference in the Board Room on 25th June 1979 it was announced that agreement in principle had been reached for the sale of the building to a new company to be called the Manchester Heritage and Arts Trust Limited. The sale would be an essential part of plans leading to the creation of an arts complex in this part of Manchester, and to the building of a new concert hall to house the Hallé Orchestra. Although nine months have elapsed since the announcement, plans are still at a very early stage and there are no developments to report in relation to the possible sale of our building. In the meantime, we have initiated enquiries to establish what alternative buildings or sites might be available within the Manchester area if it becomes necessary to find a new location for our Chief Office.

Investments

There was a significant improvement in investment income during 1979, with an overall increase in the Life Branches of over 21% when compared with the previous year. In part this was because of the growth of our funds and continuing high interest rates, but it also reflects the fact that revenue from both ordinary shares and property was extremely buoyant. The abolition of dividend restraint at the end of July helped ordinary shares, of course, and also brought about the removal of many of the distortions which had built up in the stock market over the long years of control. The gross interest yields, of 12.26% in the Industrial Branch and 13.24% in the Ordinary Branch, were the highest the Company has ever recorded.

During the course of 1979 stock market prices fluctuated considerably, and fixed interest stocks finished somewhat lower than at the start of the year. Equities had rather mixed fortunes, good performances from the oil and financial sectors being offset by disappointments elsewhere, especially in manufacturing. The total invested assets of the Life Branches, as shown in the Balance Sheets, rose by £35 millions during the year, and the market value of all assets at the end of the year was £545 millions.

Another feature of the year under review was the total abolition of exchange controls. The Life Branches have had for many years a small portfolio of overseas shares, and we feel that it may now be appropriate to begin to enlarge this exposure. Under current conditions, however, we would not envisage more than about one-tenth by value of our total equity holdings being invested in this way.

Two years ago I welcomed the setting up of the committee under the chairmanship of Lord Northfield to look into the acquisition and occupation of agricultural land. The report was duly published, in July 1979, and it was gratifying to see that it confirmed our view that financial institutions are not primarily responsible for the high levels of land prices. The report did, however, suggest that institutions should remain as landlords rather than become managers. This is not a view which we share, and nowhere in the report could we find any argument of substance put forward to support the committee's opinion.

Ordinary Branch

There was a very satisfactory improvement in the level of new business written during the year. The number of new policies was 12% higher than in 1978, with new annual premiums and new sums assured up by 26% and 20% respectively; total premium income increased by 12%. Expenses at £5,534,000 amounted to 28.0% of the premium income compared with 26.3% in 1978, the higher ratio reflecting the costs associated with the increase in new business.

Following the annual valuation of the Life Fund, increased rates of reversionary bonus have been declared for both assurances and annuities, and terminal bonuses have been improved for policies becoming claims during the next 12 months.

Industrial Branch

Compared with 1978, new business showed an increase of 12.5% in sums assured and 24.6% in annual premiums. The total premium income increased from £31,789,000 to £41,355,000. The latter figure includes life assurance premium relief amounting to £5,095,000 which, as explained earlier, was recovered under a special arrangement applicable to policies issued before 6th April 1979. Excluding this item, the premium income for 1979 was £36,260,000, an increase of 14.1% over 1978. The total expenses were £17,548,000 and amounted to 48.4% of the premium income of £36,260,000; the corresponding ratio for 1978 was 48.2%.

An increased rate of reversionary bonus has been declared, based on the sum assured including any increase under the special arrangement for policies issued before 6th April 1979. Terminal bonuses for policies becoming claims during the next 12 months have also been improved.

Fire and Accident Branch

There was a further substantial growth in total premium income, amounting to almost 45% over the previous year. Motor premiums grew by 59%, whilst those for Property Insurances showed an increase of over 33%.

The Motor Account produced an underwriting loss of £313,000 following a loss of £179,000 in 1978. Rates were increased twice during the year and the full effect of these increases will be felt in 1980. The account is now being examined in close detail so that remedial action can be taken where necessary.

In the Property Account most of the premium income growth resulted from the continuation of the steps taken to increase sums insured to more realistic levels. Despite these efforts, the account produced an underwriting loss of £532,000. The main causes of this loss were the harsh winter conditions at the beginning of the year and the gales and floods with which it closed, but there has also been an increase in the frequency of other types of loss covered by the policy. In common with most other insurers we shall be increasing our Household rates this year — for the first time in our history.

In recognition of the importance of factors other than value at risk and in order to eliminate the chronic problem of under-insurance, new policies have been introduced for the insurance of the buildings and contents of private houses. These new Home policies, which were introduced on the 1st January 1980, and which will eventually replace the existing Household Combined policies, are rated on various factors including location and type of property and are all index-linked.

The total underwriting loss of £817,000 for the year compares with one of £331,000 for 1978. After bringing in the Investment income of £756,000 and tax recoveries amounting to £131,000 there is a net surplus for the year of £70,000 the whole of which has been carried forward in the Branch revenue account.

Profit and Loss Account

As explained earlier, certain Industrial Branch policies issued before 6th April 1978 were granted an increase in sum assured as a result of the special arrangement applicable to such policies in respect of life assurance premium relief. The amount of surplus required to meet the cost of reversionary bonus added to these increases in sum assured has been allocated to policyholders without any corresponding transfer to Profit and Loss Account.

The total amount transferred to the Profit and Loss Account is £2,295,000, an increase of £320,000 over the previous year. The final net dividend is 7.2p per share, making a total for the year of 10.6p per share, an increase of 15.2%. The sum of £600,000 has been transferred to General Reserve out of the balance of profit brought forward from the previous year. The balance now carried forward is £397,000.

Conclusion

I have already commented on the fact that the general level of inflation was much higher during 1979 than it had been in 1978. I make no apology for returning to the subject, for it cannot be stressed too strongly that high inflation is the biggest single threat to the economic health and prosperity of the nation. The present Conservative Government is committed, even more strongly than its Labour predecessor, to bringing down the rate of inflation and, despite the extent to which the rise during the second half of 1979 arose directly as a result of Government action, we are repeatedly assured that a change to a downward trend is only a matter of time. Towards the end of the year there were signs of movement towards a lower level of inflation, but this was not sustained. There seems a very real danger that achievement of success in this area will be accompanied by industrial unrest, higher unemployment and some bankruptcies.

Within our industry, pressure from the consumerist lobby has continued unabated. As a "home service" insurance company we have always taken pride in the standard of service provided; complaints do arise, of course, but the number is negligible in relation to the size of our business and they are usually settled very quickly to the satisfaction of the policyholder concerned. Regrettably, in recent years we have been obliged to spend time and money, which could otherwise have been used to improve benefits and service to policyholders, on complying with legislation and procedures designed to protect them against all sorts of imaginary perils.

A great deal of Management time in 1979 was taken up in negotiations relating to terms and conditions of work for various sections of the staff. Early in the year, our Field Staff transferred their Union membership from the National Union of Insurance Workers to A.S.T.M.S., which is now the only Union representing Refuge staff other than members of the maintenance staff who belong to individual craft unions. One result of discussions between Management and A.S.T.M.S. was the establishment, in July 1979, of a joint Company/Union steering committee to undertake a job evaluation exercise in Chief Office. The committee has now completed the preliminary exploratory part of its work, and has established the method to be followed in carrying out the main part of its task. We extend to the committee, and to other members of Management and Staff involved in negotiations, our thanks for their past efforts and our hopes for their success in maintaining and extending an atmosphere of good relations throughout the Company.

Finally, we say thank you to all who contributed to the progress made in 1979, and we wish all our staff a successful year in promoting and expanding the Company's business during 1980.

REFUGE ASSURANCE COMPANY LIMITED

Chief Office (and Registered Office) Oxford Street, Manchester M60 7HA

Registered Number 1364C England.

"1979 was another year of excellent growth for Hutchison Whampoa Limited with significant improvements achieved in both earnings and balance sheet terms."

WRA Wyllie, *Chairman and Chief Executive*

- Profit before extraordinary items up 44 per cent from HK$230.9 million to HK$331.9 million
- Earnings per ordinary share up from 49 cents to 74 cents
- Profit attributable to shareholders up 91 per cent from HK$299.6 million to HK$572.5 million
- Proposed final dividend of 18 cents per ordinary share giving 28 cents for the year, amounting to HK$112.8 million, up 22 per cent
- Proposed bonus share issue to ordinary shareholders of 1 for 10
- Preference share dividend paid during the year amounted to HK$35.0 million, up 7 per cent
- Sale of 52 per cent interest in City and Urban Properties generated proceeds of HK$311.5 million and extraordinary profits of HK$130.6 million
- Acquisition of minority interests in China Provident Company and Hutchison House made these companies wholly-owned
- Bid launched for acquisition of minority interests in Hutchison Properties subsequently successful in 1980
- In 1980 further growth in profits anticipated and dividends at least maintained on increased capital

11 April 1980

Hutchison
HUTCHISON WHAMPOA LIMITED
HWL

Jardine Matheson earnings increase

BY PHILIP BOWRING IN HONG KONG

JARDINE MATHESON has announced a 20 per cent increase in consolidated net profit after tax and minorities for the year ended 1979, to HK$ 403.2m (US$ 79.6m). In addition, the group made extraordinary gains of HK$ 37.2m, against HK$ 9.5m in 1978. Earnings per share were HK$ 1.86, for a rise of 17 per cent. A final dividend of 60 cents is recommended making a total of 82 cents, compared with 71 cents for 1978. The dividend is offered in shares or in cash and a three-for-20 scrip issue will also be made.

Mr. David Newbigging, the chairman, said that the quality and proportion of recurrent earnings had "significantly improved" from 1979, when results included a substantial profit on the sale of a building. On prospects for the current year, Mr. Newbigging said that a rate of earnings growth similar to that in 1979 was expected, as was the maintaining of the dividend rate on the increased capital.

A further reduction in debt was achieved in the year, the debt to equity ratio having fallen from 62 per cent at end 1978 to 46 per cent a year later. Of group term debt, 75 per cent was at fixed rates and much of the rest in the relatively cheap yen and rand.

Because of the reduction in term debt, particularly of that at floating rates, and a net cash surplus of HK$579m, the group was not being hurt by high interest rates, the chairman said. Part of the proceeds of the sale of Reunion Properties of the UK in the second half of 1979 was being held on deposit in the UK to take advantage of high interest rates. There was no advantage, Mr. Newbigging said, in further reducing the debt-equity ratio.

Extraordinary gains included HK$157m from the sale of shares in Hong Kong and Kowloon Wharf Company to Hong Kong Land in return for shares.

There was also a write-back of HK$25m in respect of timber interests in South East Asia for which there were extrordinary provisions of HK$90m in 1979.

Mr. Newbigging said that the company had decided to take advantage of the extraordinary profit from the wharf company shares to write of U.S.$35.8m in respect of the group's investment in Transport and Trading Company, the Middle East trading company in which Jardines has acquired a 40 per cent stake at a cost of U.S.$100m. The writeoff represented the goodwill element in the investment. The chairman said that though the write-off was prudent given the unsettled situation in the Middle East, he emphasised that TTI was producing "extremely good results."

Mr. Newbigging said that trading and light industry remained the mainstay of Jardine's operations. Hong Kong contributed 50 per cent of 1979 profit compared with 45 per cent in 1979. The increase in Hong Kong's relative position was partly the result of lower earnings from Theo H. Davies of Hawaii. Rennies of South Africa recorded a 41 per cent increase, and Jardine Davies of the Philippines continued its recovery with a HK$ 9.4m profit.

Success in disposing of unprofitable or low yielding investments included the sale of Reunion Properties, and of Toft Brothers, an Australian company manufacturing sugar-making machinery. Jardine Industries, another loss-maker in the past, was now "making a positive contribution, but not a very material one."

The contribution of financial services—primarily the activities of Jardine Fleming in Hong Kong—was lower than for the previous year, and this is seen as a further indication of the better earnings quality the group has been seeking. Jardine's improved earnings quality and now healthier balance sheet have been well received by brokers.

AUSTRALIAN NEWS

Ford in A$300m expansion

BY JAMES FORTH IN SYDNEY

THE FORD MOTOR Company group is to build a plant to produce four-cylinder engines as part of an A$300m (U.S.$328m) investment programme in Australia over the next three years. The plans come on top of A$500m being poured by Ford into the Asia-Pacific region. The outlays are part of U.S.$8bn of spending that Ford is undertaking on retooling and new car programmes around the world to 1984.

Most of the investment in Australia is expected to go into a modern, fully-automated four cylinder engine manufacturing plant. Mr John McDougall, vice-president of Ford's international automotive operations division, announced the investment—which he described as a clear vote of confidence by Ford in Australia—in Adelaide at the annual meeting of the Institute of Engineers.

Ford will launch the first of its new models next, a front wheel drive four-cylinder car called the Laser, modelled on the Toyo Kogyo Mazda 323 to be launched in Japan in June. Both cars were designed in the Mazda studios, by stylists from both companies. The laser is expected to feature a strong European styling influence, similar to the new Ford Erika which will replace the Escort this year. Initially, Ford is expected to use the local Escort engine, until the four-cylinder engine plant is in production. Mr McDougall said the Laser was Ford's first "world car" and would be assembled in Australia, New Zealand, Taiwan, the Philippines, Indonesia, Thailand and Malaysia.

* * *

UNITED PACKAGES (UPL) has launched a A$20.5m (U.S.$22.2m) bid for Sebel, the furniture and hotel group. It is only two weeks since UPL made a A$7.5m bid for another listed group—the finance company, Midland Credits. UPL recently sold its cardboard packaging operations to Australian Paper Manufacturers and has now embarked upon an expansion and diversification programme.

The Sebel moulded furniture and plastics mouldings operations should complement UPL's furniture product range. Sebel also operates a medium size, but prestige hotel, the Town House, at King's Cross, Sydney. UPL is offering three of its shares plus A$6.00 cash for every two Sebel shares.

The offer values Sebel shares at just over A$5.00 each compared with a pre-bid market price of A$ 3.50. Six weeks ago Sebel shares were selling at A$ 2.50. The bid has been recommended by the directors of Sebel, who control about 25 per cent of the capital.

Sebel last month reported a 71 per cent lift in earnings for 1979 to A$1.5m and a one-for-three scrip issue. Because of the UPL bid the scrip issue has been shelved.

Advance in group profit for Komatsu

By Our Financial Staff

KOMATSU, the Japanese construction machinery manufacturer, raised its consolidated net profit in the year to December 31 by 21 per cent to a record Y23.75bn ($94.5m), from Y19.62bn in 1978. Consolidated sales increased by 16.4 per cent to Y558.23bn from Y479.73bn.

The rise in income and sales came with an 18 per cent increase in domestic sales of construction machinery and a 16 per cent rise in export sales. The sales cost ratio in the year fell 3.3 percentage points to 69.4 per cent.

The company offers no forecast of its consolidated business result for the current year, because of uncertainties including the question of foreign exchange fluctuations.

In February, Komatsu announced a rise of 27.4 per cent to Y20.24bn in net profits for 1979 at parent company level, on sales up 15.2 per cent to Y455.7bn. A gain of 18.6 per cent was forecast in net profits on this basis in 1980, to Y24bn, on sales rising 9.5 per cent to Y500bn.

BCCI near to Bahrain OBU

By Mary Frings in Bahrain

THE Bank of Credit and Commerce International group (BCCI), the Luxembourg bank with Middle East shareholders, plans to open an offshore banking unit in Bahrain within the next two months. A go-ahead was given by the Bahrain Monetary Agency in February.

BCCI is already represented in the Middle East through a regional office in Abu Dhabi, 12 branches in Oman, nine in Dubai, six in the Lebanon, four in Sharjah, and one each in Ajman, Fujairah, and North Yemen. The group holds a 49 per cent stake in Kuwait Investment and Finance Company, and a 29 per cent stake in National Bank of Oman.

Amex offers universal charge card in Japan

By Richard C. Hanson in Tokyo

AMERICAN EXPRESS International, in its most ambitious assault on the Japanese market so far, has introduced its first Yen-billed universal charge card, known as the "Gold Card," for use both in and outside Japan.

The company is committing several million dollars to the project, claimed to be its biggest single corporate step this year. The aim is to develop the market for charge cards in Japan — potentially the second largest in the world — while at the same time boosting its travellers' cheque and travel services business in the country.

American Expres is taking advantage of a 1978 decision by the authorities in Japan to allow Japanese travellers to carry a charge card usable both at home and abroad. So far, only a small number of people have such a card. Of the 9m bank charge cards now issued in Japan, only 100,000 are for international use and only some 6,000 can be used both at home and abroad.

Visa, through its tie-up with Sumitomo Bank, has recently announced that it too will offer a universal card. American Express International has itself offered special international cards to Japanese through a tie-up with the Japanes bank card started by Sanwa Bank, JCB.

AEI, which is a wholly owned subsidiary of American Express Company handling charge cards and travellers' cheques, made the decision after a study indicated that the Japanese market for charge cards (different from credit cards in that they do not offer instalment payments) is growing in volume at over 14 per cent a year. In 1978, the charge cards generated about $2.4bn in business. Only 28 per cent of the adult population is in possession of any charge card at all, and most of these appear to be seldom used. One other peculiarity of the Japanese bank card is that a majority of the use involves retail purchases, and not travel and entertainment.

AEI has identified its potential market as the affluent businessman, who travels abroad frequently and does a considerable amount of entertaining outside the home.

Potentially, the market includes about 5m people. American Express officials say that the initial response to the so far limited steps taken to promote the card have been encouraging.

The start-up costs for the project, which will rise into the $6-$9m range, mean that the Gold Card will probably not pay for itself for about five years.

American Express did not run into any official barriers in introducing the card, although the authorities are very much concerned to watch the operation, since it involves, in effect, a potentially large addition to the consumer credit industry. Card holders will automatically have a Y2m credit line, in addition to other services.

The credit line can be drawn upon at any of the branches of a number of Japan's largest commercial banks, with repayment terms of 12-60 months at an interest rate of 14.4 per cent per annum, plus a drawing fee.

Japan company bond issues up

TOKYO — Underwriting is being arranged for 15 corporate bonds totalling Y151bn (equivalent to some $600m) in April, the highest figure since the Y196bn issued in November, 1977, and comparing with Y115bn last month, the Japanese Underwriters Association said.

The increase results mainly from the plans of electric power generating companies to issue eight corporate bonds, worth Y127bn, against Y97bn in March.

Reuter

NOTICE TO HOLDERS OF

AJINOMOTO CO., INC.

(AJINOMOTO KABUSHIKI KAISHA)

7¾ PER CENT. CONVERTIBLE BONDS 1995

Pursuant to Condition 5(c)(xi) of the above Bonds, notice is hereby given that, because of issue of 11,000,000 new shares of Common Stock in Japan, the conversion price of the Bonds was adjusted, effective as of April 1, 1980, Japan Time, from Yen 818 per share of Common Stock to Yen 615.50 per share of Common Stock.

AJINOMOTO CO., INC.
By: The Bank of Tokyo Trust Company as Trustee

Dated: April 16, 1980

PAN-HOLDING S.A.

Luxembourg

As of March 31, 1980, the unconsolidated net asset value was US$103,781,289.56, i.e. US$148.26 per share of US$50 par value.

The consolidated net asset value per share amounted, as of March 31, 1980, to US$150.61.

Rand Mines Limited

A Member of the Barlow Rand Group

Gold Mining and Colliery Company Reports for the Quarter ended 31st March, 1980

(All Companies incorporated in the Republic of South Africa).

Office of the Secretaries of the undermentioned companies in the United Kingdom: 40, Holborn Viaduct, London EC1P 1AJ.

HARMONY GOLD MINING COMPANY, LIMITED

ISSUED CAPITAL: R13 442 325 IN 26 884 650 SHARES OF 50 CENTS EACH
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 31ST MARCH, 1980.

OPERATING RESULTS —ALL PRODUCTS	Quarter ended 31.3.1980	Quarter ended 31.12.1979
Ore milled (t):	1 795 000	1 802 000
Gold produced (kg):	7 688	8 077
Yield (g/t):	4.28	4.46
Uranium pulp treated (t):	1 237 000	1 211 000
Oxide produced (kg):	115 489	121 296
Yield (kg/t):	0.092	0.100
Pyrite concentrate recovered (t):	19 935	21 491
Sulphuric Acid produced (t):	25 889	30 754
Total Revenue (R/t milled):	74.38	55.11
Total Costs (R/t milled):	29.53	28.55
Total Profit (R/t milled):	44.85	28.56
FINANCIAL RESULTS—All products —TOTALS IN R000's		
Revenue—Gold, Silver and Osmiridium	R129 124	R89 168
—Uranium, Pyrite and Sulphuric Acid	R4 385	R10 146
Total revenue	R153 509	R99 314
Costs	R53 012	R51 431
Working profit	R80 497	R47 883
Sundry revenue (net)	R1 825	R1 465
Profit before taxation and State's share of profit	R82 322	R49 348
Taxation and State's share of profit	R44 890	R23 022
Profit after taxation and State's share of profit	R37 432	R26 326
Capital expenditure	R6 322	R8 150
Dividend declared	R44 360	R—
Loan levy (reversal of provision)	(R3 242)	R1 795

DEVELOPMENT

Quarter ended 31.3.1980 12 007 metres
Quarter ended 31.12.1979 12 249 metres

Reefs	Advanced on Reef Horizon Metres	Sampled Metres	Gold Value g/t	Uranium Oxide Value kg/t	Channel Width cm	Gold cm.g/t	Uranium Oxide cm.kg/t
Basal	941	852	18.6	0.244	80	1 118	14.61
Leader	1 989	1 814	5.1	0.182	109	551	17.60
Totals and Averages Quarter ended 31.3.1980	2 930	2 666	7.9	0.179	93	732	16.65
Quarter ended 31.12.1979	3 498	5 254	8.2	0.208	97	805	20.21

These values represent actual results of sampling, no allowance having been made for any adjustments which may be necessary when the ore reserve estimates are made at the end of the financial year.

DIVIDEND

Final dividend No. 47 of 165 cents per share was declared on 13th March, 1980 payable on or about 8th May, 1980 to shareholders registered on 28th March, 1980.

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R4 773 000 including R1 231 000 for the new uranium plant. The estimated total capital expenditure for the remainder of the current financial year is R7.8 million which includes R2.4 million for the new uranium plant.

LOAN LEVY

As announced by the Minister of Finance on 28th March, 1980, the loan levy has been abolished. In respect of this company, the abolition is effective from 1st July, 1979.

For and on behalf of the board.
D. T. WATT (Chairman) } Directors
R. J. J. FOURIE

REGISTERED OFFICE:
63, Fox Street,
Johannesburg.
2001.
11th April, 1980.

DURBAN ROODEPOORT DEEP, LIMITED

ISSUED CAPITAL: R2 325 000 IN SHARES OF R1.00 EACH
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 31ST MARCH, 1980.

OPERATING RESULTS	Quarter Ended 31.3.1980	Quarter ended 31.12.1979
Gold		
Ore milled (t):	484 000	516 000
Gold produced (kg):	1 695.4	1 639.8
Yield (g/t):	3.50	3.57
Revenue (R/t milled):	57.90	40.21
Cost (R/t milled):	30.85	28.56
Profit (R/t milled):	27.05	11.65
Revenue (R000's):	28 024	20 749
Cost (R000's):	14 933	14 737
Profit (R000's):	13 091	6 012
Pyrite		
Pyrite concentrate sold (t)	3 702	5 085
FINANCIAL RESULTS (R000's)		
Working Profit—Gold	R13 091	R6 012
Working Profits—Pyrite	R40	R66
Sundry revenue (net):	R207	R134
State assistance (overclaimed)	R—	(R829)
Profit before taxation	R13 338	R5 383
Taxation	R6 894	R722
Profit after taxation	R6 444	R4 661
Capital expenditure	R612	R1 008
Dividend declared	R—	R2 674
Loan levy	R—	R72
State loan repayment	R2 296	R713

DEVELOPMENT

Quarter ended 31.3.1980 8 850 metres
Quarter ended 31.12.1979 7 929 metres

Reefs	Advanced on Reef Horizon Metres	Sampled Metres	Gold Value g/t	Channel Width cm	Gold cm.g/t
Kimberley	2 055	1 828	3.1	103	319
Bird	7	18	2.3	59	138
South	131	117	15.5	14	214
Main Reef Leader	18	—	—	—	—
Main	76	—	—	—	—
Totals and Averages For Quarter Ended 31.3.80	2 285	1 783	3.2	96	307
For Quarter Ended 31.12.79	2 736	1 794	4.9	105	510

These values represent actual results of sampling, no allowance having been made for any adjustments which may be necessary when the ore reserve estimates are made at the end of the financial year.

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R904 000. The estimated total capital expenditure for the remainder of the current financial year is R8.1 million.

STATE LOAN REPAYMENT

The State loans and capitalised interest were repaid in full during the quarter.

LOAN LEVY

As announced by the Minister of Finance on 28th March, 1980, the loan levy has been abolished. In respect of this company, the abolition is effective from 1st January, 1980.

For and on behalf of the board.
D. T. WATT (Chairman) } Directors
R. J. J. FOURIE

REGISTERED OFFICE:
63, Fox Street,
Johannesburg.
2001.
11th April, 1980.

EAST RAND PROPRIETARY MINES LIMITED

ISSUED CAPITAL: R3 960 000 IN SHARES OF R1.00 EACH
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 31ST MARCH, 1980.

OPERATING RESULTS	Quarter Ended 31.3.1980	Quarter ended 31.12.1979
Ore milled (t):	570 000	574 000
Gold produced (kg):	2 952.0	2 879.4
Yield (g/t):	5.18	5.02
Revenue (R/t milled):	91.72	57.08
Cost (R/t milled):	41.18	38.79
Profit (R/t milled):	50.53	18.29
Revenue (R000's):	52 292	32 764
Cost (R000's):	23 484	22 264
Profit (R000's):	28 808	10 500
FINANCIAL RESULTS (R000's)		
Working profit:	R28 808	R10 500
Sundry revenue (net):	R310	R329
State assistance (overclaimed):	R—	(R4 056)
Profit before taxation and State's share of profit	R29 118	R6 773
Taxation and State's share of profit	R15 147	R247
Profit after taxation and State's share of profit	R13 971	R6 526
Capital expenditure	R2 153	R1 519
Dividend declared	R—	R3 364
Loan levy	R—	R22
State loan repayment	R4 154	R1 328

DEVELOPMENT

Quarter ended 31.3.1980 4 018 metres
Quarter ended 31.12.1979 3 711 metres

Reefs	Advanced on Reef Horizon Metres	Sampled Metres	Gold Value g/t	Channel Width cm	Gold cm.g/t
South	178	139	7.9	95	755
Composite	73	75	14.1	85	1 201
Main	216	123	12.2	72	875
Main Reef Leader	—	—	—	—	—
Totals and averages: for quarter ended 31.3.1980	467	337	10.5	85	889
quarter ended 31.12.1979	380	284	17.9	75	1 335

These values represent actual results of sampling, no allowance having been made for any adjustments which may be necessary when the ore reserve estimates are made at the end of the financial year.

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R1 509 000. The estimated total capital expenditure for the remainder of the current financial year is R15.0 million.

GENERAL

State Loan Repayment
The State loan and capitalised interest were repaid in full during the quarter.
Loan Levy
As announced by the Minister of Finance on the 28th March, 1980, the loan levy has been abolished. In respect of this company, the abolition is effective from 1st January, 1980.

For and on behalf of the board.
D. T. WATT (Chairman) } Directors
R. J. J. FOURIE

Registered Office:
63, Fox Street,
Johannesburg.
2001.
11th April, 1980.

BLYVOORUITZICHT GOLD MINING COMPANY, LIMITED

ISSUED CAPITAL: R6 000 000 IN 24 000 000 SHARES OF 25c EACH
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 31ST MARCH, 1980.

OPERATING RESULTS	Quarter Ended 31.3.1980	Quarter ended 31.12.1979
Gold		
Ore milled (t):	482 000	498 000
Gold produced (kg):	4 362.1	4 713.7
Yield (g/t):	9.05	9.50
Revenue (R/t milled):	157.90	106.95
Cost (R/t milled):	39.35	35.76
Profit (R/t milled):	118.55	71.19
Revenue (R000's):	76 108	53 046
Cost (R000's):	18 968	17 745
Profit (R000's):	57 140	35 301
Uranium Oxide		
Pulp treated (t):	494 199	493 484
Oxide produced (kg):	88 676	81 216
Yield (kg/t):	0.179	0.165
FINANCIAL RESULTS (R000's)		
Working Profit: Gold	R57 140	R35 301
Working Profit: Uranium Oxide	R5 605	R1 026
Sundry revenue (net):	R1 220	R940
Profit before taxation and State's share of profit	R63 965	R37 267
Taxation and State's share of profit	R37 479	R20 968
Profit after taxation and State's share of profit	R26 486	R16 299
Capital expenditure	R3 531	R3 083
Dividend declared	R—	R24 000
Loan levy (reversal of provision)	(R2 836)	R1 598

DEVELOPMENT

Quarter ended 31.3.1980 5 844 metres
Quarter ended 31.12.1979 5 809 metres

Reefs	Advanced on Reef Horizon Metres	Sampled Metres	Gold Value g/t	Uranium Oxide Value kg/t	Channel Width cm	Gold cm.g/t	Uranium Oxide cm.kg/t
North Leader	198	172	17.0	0.286	10	170	2.88
Carbon Leader							
For quarter ended 31.3.80	—	—	—	—	—	—	—
North Leader	—	—	—	—	—	—	—
Carbon Leader							
For quarter ended 31.12.79	65	64	59.1	0.477	41	2 422	19.58

These values represent actual results of sampling, no allowance having been made for any adjustments which may be necessary when the ore reserve estimates are made at the end of the financial year.

The development on North Leader was primarily for ventilation purposes and is of no economic significance.

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R1 704 000. The estimated total capital expenditure for the remainder of the current financial year is R4.1 million.

LOAN LEVY

As announced by the Minister of Finance on 28th March, 1980 the loan levy has been abolished. In respect of this company, the abolition is effective from 1st July, 1979.

For and on behalf of the board.
D. T. WATT (Chairman) { Directors
J. R. FORBES

Registered Office
63 Fox Street,
Johannesburg.
2001.
11th April, 1980.

WELGEDACHT EXPLORATION COMPANY, LIMITED

ISSUED CAPITAL: R4 090 613 IN SHARES OF 45 CENTS EACH
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 31ST MARCH, 1980 ON THE OPERATIONS OF THE COMPANY AND ITS WHOLLY-OWNED SUBSIDIARY

OPERATING RESULTS	Quarter Ended 31.3.1980	Quarter ended 31.12.1979	6 months Ended 31.3.1980
Tons sold—metric	446 522	437 972	884 494
Working Profit—cents per ton	364.8	87.2	227.4
FINANCIAL RESULTS	R000's	R000's	R000's
Working profit	1 629	382	2 011
Net railway revenue	26	926	952
Net sundry revenue	19	58	77
PROFIT BEFORE TAXATION	1 674	1 366	3 040
Taxation	608	559	1 167
PROFIT AFTER TAXATION	1 066	807	1 873
Capital expenditure	655	252	908
Drilling and exploration	29	1	30
Dividend declared	—	1 455	1 455

DIVIDENDS

Dividend No. 45 of 9 cents per share was declared on 10th April, 1980 payable on or about 14th May, 1980 to shareholders registered on 25th April, 1980.

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R 793 000. The estimated total capital expenditure for the remainder of the current financial year is R943 000.

LOAN LEVY

As announced by the Minister of Finance on 28th March, 1980, the loan levy has been abolished. In respect of this company, the abolition is effective from 1st October, 1979.

GENERAL

The inland price of coal was increased from 1st February, 1980.

For and on behalf of the board.
A. A. SEALEY (Chairman) } Directors
N. ZOLEZZI

Registered Office
63 Fox Street,
Johannesburg.
2001.
10th April, 1980.

WITBANK COLLIERY, LIMITED

ISSUED CAPITAL: R15 744 674 IN ORDINARY SHARES OF R2 EACH
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 31ST MARCH, 1980 ON THE OPERATIONS OF THE COMPANY AND ITS WHOLLY-OWNED SUBSIDIARIES

OPERATING RESULTS	Quarter Ended 31.3.80	Quarter ended 31.12.1979	6 Months Ended 31.3.80
Tons sold—metric	2 100 002	1 995 429	4 095 431
Working profit—cents per ton	592.9	595.4	594.1
FINANCIAL RESULTS	R000's	R000's	R000's
Working profit	R12 450	R11 881	R24 331
Net sundry revenue	163	220	383
PROFIT BEFORE TAXATION	R12 613	R12 101	R24 714
Taxation	3 751	4 050	7 801
PROFIT AFTER TAXATION	R8 862	R8 051	R16 913
Capital expenditure—gross	R4 535	R2 556	R7 090
Escom funding	1 324	252	1 576
Exploration expenditure—included in net sundry revenue	111	78	189
Dividend declared	8 672	—	8 672

DIVIDEND

Dividend No. 147 of 100 cents per share was declared on 14th February, 1980 payable on or about 28th March, 1980 to shareholders registered on 29th February, 1980.

CAPITAL EXPENDITURE

There are commitments for capital expenditure, net of Escom funding in respect of Duvha, as follows:—

	R000's
Contracted	21 838
Authorised but not contracted	8 304
Other proposed	18 789
	46 723

The estimated net capital expenditure for the remainder of the current financial year is R6 907 000.

LOAN LEVY

As announced by the Minister of Finance on 28th March, 1980, the loan levy has been abolished. In respect of this company, the abolition is effective from 1st October, 1979.

GENERAL

The inland price of coal was increased from 1st February, 1980. At 31st March, 1980 holders of 36 069 of the company's 13½% unsecured convertible notes exercised their rights of conversion and a like number of shares have been allotted to them. The issued share capital will be increased accordingly.

For and on behalf of the board.
A. A. SEALEY (Chairman) } Directors
N. ZOLEZZI

Registered Office:
63 Fox Street
Johannesburg
2001

GENERAL NOTES

1. Gold development values quoted herein represent actual results of sampling, no allowance having been made for any adjustments which may be necessary when estimating ore reserves at the end of the respective financial years.
2. All financial figures are subject to audit.

Copies of these quarterly reports are obtainable from the United Kingdom Registrars and Transfer Agents Charter Consolidated Limited, P.O. Box No. 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

CURRENCIES, MONEY and GOLD

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Dollar improves

The dollar improved in late trading in the foreign exchange market yesterday, rising to DM 1.9050 from DM 1.8725 against the D-mark, and to SwFr 1.7850 from SwFr 1.7425 in terms of the Swiss franc. It also rose to Y252.80 from Y251.30 against the Japanese yen, and finished around the highest level of the day against major currencies in general. Trading was nervous, influenced by commercial considerations, rather than any new factors. On Bank of England figures, the dollar trade weighted index rose to 89.9 from 89.2.

Sterling's index, as calculated by the Bank of England, was unchanged at 72.7, after rising to 72.8 at noon from 72.7 in the morning. The pound opened at $2.1940-2.1950, and touched a peak of $2.2010-2.2020, before easing to around $2.1975 at lunch and $2.1950 by mid-afternoon. In late trading sterling fell to $2.1840-2.1850 as the dollar gained ground, and closed at $2.1850-2.1860, a fall of 1.75 cents on the day. The pound rose to DM 4.1650 from DM 4.1275 against the D-mark, and to SwFr 3.9025 from SwFr 3.84 in terms of the Swiss franc.

D-MARK—Weaker within the European Monetary System and against the dollar following expectations of a continuing balance of payments deficit in Germany, and effects of anti-inflation measures and higher interest rates in the U.S.—The D-mark inclined against most of its EMS partners, and the dollar, at the Frankfurt fixing. The Bundesbank did not intervene. The dollar rose to DM 1.8910 from DM 1.8700, and sterling to DM 4.1590 from DM 4.1380. Within the EMS the Irish punt improved to DM 3.7580 from DM 3.7300, the French franc to DM 43.26 per 100 francs from DM 43.16, the Dutch guilder to DM 91.36 per 100 guilders from DM 91.23, and the Belgian franc to DM 6.2230 per 100 francs from DM 6.2040. On the other hand the Danish krone fell slightly to DM 32.16 per 100 krone from DM 32.18, and the Italian lira to DM 2.1440 per 1,000 lira from DM 2.1480.

ITALIAN LIRA—Rather erratic within EMS, and falling near the bottom of the system in recent weeks, after rising to the top during February—The lira remained weak at the Milan fixing, losing ground to the dollar and members of the EMS. The U.S. currency was fixed at L881.5, compared with L872.95, and sterling at L1,938.60 compared with L1,928.90. Among EMS currencies the D-mark rose to L466.65 from L466.30, the French franc to L201.87 from L201.30, the Belgian franc to L29.037 from L28.933, the Dutch guilder to L426.13 from L425.02, the Danish krone to L150.07 from L149.94, and Irish punt to L1,751.20 from L1,743.30.

DANISH KRONE—Slightly improved within the EMS recently, after many months of weakness and two devaluations during the last year—The krone improved against the D-mark and Italian lira at the Copenhagen fixing, but declined against most other major currencies including the dollar and sterling. The U.S. currency rose to DKr 5.8785 from DKr 5.8145, and the pound to DKr 12.9255 from DKr 12.8629.

JAPANESE YEN—Energy and balance of payments problems reflected in sharp decline last year, which after a slight pause, has been renewed, resulting in heavy central bank intervention—The yen lost ground against the dollar in moderate Tokyo trading, without any sign of intervention by the Bank of Japan. The dollar closed at Y252.20, compared with Y251.90 previously. Trading was within a narrow range, with the U.S. currency opening at Y253, the highest level of the day, and falling to a low point of Y251.75 in the afternoon.

THE DOLLAR SPOT AND FORWARD

April 15	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.1840-2.2020	2.1850-2.1860	0.20-0.30c dis	−1.37	0.55-0.65dis	−1.10
Ireland†	1.9725-1.9820	1.9725-1.9755	0.10c pm-par	0.30	0.25-0.15 pm	0.40
Canada	1.1863-1.1882	1.1863-1.1866	0.40-0.35c pm	3.79	0.63-0.58 pm	2.04
Nethlnd.	2.0678-2.0770	2.0740-2.0750	1.47-1.40c pm	8.30	3.80-3.73 pm	7.26
Belgium	30.38-30.53	30.51-30.53	5½-4c pm	1.87	11-8 pm	1.25
Denmark	5.8770-5.8835	5.8810-5.8835	0.50-1.00ore dis	−1.53	2.25-2.75dis	−1.70
W. Ger.	1.8860-1.9060	1.9045-1.9055	1.63-1.53pf pm	9.95	4.23-4.13	8.78
Portugal	50.30-50.80	50.60-50.80	2c pm-13 dis	−1.30	4 pm-41 dis	−1.46
Spain	72.20-72.41	72.38-72.41	10-25c dis	−2.90	60-75 dis	−3.73
Italy	880.30-883.75	883.00-883.75	3½-2½lire pm	3.91	4-3 pm	1.58
Norway	5.0940-5.1020	5.0970-5.1000	2.20-1.70ore pm	4.59	5.70-5.20 pm	4.28
France	4.3690-4.3825	4.3800-4.3825	2.32-2.22c pm	6.21	5.90-5.70 pm	5.29
Sweden	4.3930-4.4050	4.4035-4.4050	2.05-1.85ore pm	5.05	5.55-5.35 pm	4.95
Japan	250.75-252.90	252.75-252.85	1.30-1.15y pm	5.81	3.05-2.90 pm	4.71
Austria	13.48-13.54	13.52-13.54	10.30-2.60gro pm	2.82	28.0-25.6 pm	7.91
Switz.	1.7620-1.7855	1.7845-1.7855	1.85-1.77c pm	12.17	4.95-4.27 pm	11.00

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

THE POUND SPOT AND FORWARD

April 15	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.1840-2.2020	2.1850-2.1860	0.20-0.30c dis	−1.37	0.55-0.65dis	−1.10
Canada	2.5905-2.6110	2.5915-2.5925	0.53-0.43c pm	2.22	0.63-0.53 pm	0.89
Nethlnd.	4.53-4.57	4.53½-4.54½	3-2c pm	6.61	7½-6½ pm	6.17
Belgium	66.55-66.95	66.65-66.75	5c pm-5 dis	—	10 pm-par	0.30
Denmark	12.80-12.92	12.89½-12.90½	2½-4ore dis	−3.02	8¾-10¼ dis	−2.93
Ireland	1.1040-1.1110	1.1085-1.1095	0.13-0.08p pm	1.28	0.33-0.28 pm	1.10
W. Ger.	4.13-4.17½	4.16-4.17	3½-2½pf pm	8.28	8½-7½ pm	7.68
Portugal	110.00-110.70	110.10-110.30	5-25c dis	−1.63	20-105 dis	−2.27
Spain	157.95-158.75	158.00-158.10	27-63c dis	−3.42	145-205 dis	−4.43
Italy	1,924-1,939	1,932½-1,933½	7¼-5¾lire pm	4.19	4¼-2¾ pm	0.67
Norway	11.14½-11.23	11.15½-11.16½	3½-2½ore pm	3.22	9½-8½ pm	3.14
France	9.57-9.62	9.59¾-9.60¾	4½-3½c pm	4.69	10¼-9¼ pm	4.06
Sweden	9.62-9.67	9.62½-9.63½	3½-2½ore pm	3.89	9½-8½ pm	3.79
Japan	550-558	552-553	2.14-2.00y pm	4.49	5.20-4.80 pm	3.62
Austria	29.53-29.75	29.55-29.90	21-15gro pm	7.30	55-45 pm	6.76
Switz.	3.83½-3.91½	3.89¾-3.90¾	4½-3½c pm	12.30	12¾-11¾ pm	12.17

Belgian rate is for convertible francs. Financial franc 68.75-68.85. Six-month forward dollar 1.02-1.12c dis. 12-month 0.40-0.50c dis.

CURRENCY RATES

April 14	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.573889	0.609160
U.S. $	13	1.26950	1.34411
Canadian $	15.2	1.50166	1.58310
Austria Sch.	6¾	16.9654	17.9305
Belgian F.	14	38.3252	40.5754
Danish K	13	7.42315	7.82206
D'Mark	7	2.37397	2.52031
Guilder	8½	2.60946	2.76417
French Fr.	9½	5.50773	5.83009
Lira	15	1103.27	1174.76
Yen	8	332.453	338.044
Norwgn. Kr.	9	6.41605	6.81398
Spanish Pts.	8	80.7058	86.1040
Swedish Kr.	10	5.53781	5.88977
Swiss Fr.	3	2.22543	2.35314

CURRENCY MOVEMENTS

April 15	Bank of England Index	Morgan Guaranty Changes %
Sterling	72.7	−32.8
U.S. dollar	89.8	−3.8
Canadian dollar	81.0	−17.6
Austrian schilling	152.8	+23.5
Belgian franc	114.0	+12.9
Danish kroner	105.7	−4.6
Deutsche mark	152.0	+42.9
Swiss franc	191.4	+76.1
Guilder	124.5	+19.1
French franc	100.2	−5.6
Lira	23.2	−60.7
Yen	115.1	+13.7

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER CURRENCIES

April. 15	£	$		£ Note Rates
Argentina Peso	3837-3857	1751-1758	Austria	29.45-29.75
Australia Dollar	2.0055-2.0105	0.9166-0.9170	Belgium	68.68-69.26
Brazil Cruzeiro	104.76-105.76	48.14-48.34	Denmark	12.86-12.93
Finland Markka	8.39-8.41	3.8300-3.8320	France	9.52-9.58
Greek Drachma	91.335-93.323	41.80-42.10	Germany	4.13¾-4.17½
Hong Kong Dollar	10.98-11.012	5.0130-5.0150	Italy	1800-1970
Iran Rial	n/a	n/a	Japan	551-556
Kuwait Dinar(KD)	0.602-0.612	0.2757-0.2758	Netherlands	4.52-4.54½
Luxembourg Frc.	66.65-66.75	30.51-30.53	Norway	11.16-11.28
Malaysia Dollar	5.0120-5.0240	2.2275-2.2285	Portugal	107-112
New Zealand Dlr.	2.3150-2.3200	1.0570-1.0580	Spain	153-161
Saudi Arab. Riyal.	7.27-7.37	3.3295-3.3325	Sweden	9.61-9.66
Singapore Dollar.	4.8165-4.8285	2.2440-2.2460	Switzerland	3.85½-3.88½
Sth. African Rand	1.7635-1.7560	0.8070-0.8075	United States	2.120-2.122
U.A.E. Dirham	8.17-8.27	3.7360-3.7390	Yugoslavia	50-52½

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 15	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.5403	+1.89	+1.00	±1.53
Danish Krone	7.72336	7.84090	+1.52	+0.63	±1.64
German D-Mark	2.48208	2.52191	+1.60	+0.71	±1.125
French Franc	5.84700	5.83192	−0.26	−1.15	±1.3557
Dutch Guilder	2.74362	2.76181	+0.66	−0.23	±1.512
Irish Punt	0.668201	0.672249	+0.61	−0.28	±1.668
Italian Lira	1157.79	1177.47	+1.70	+1.32	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

April 15	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.186	4.185	552.6	9.603	3.903	4.540	1233.	2.692	66.70
U.S. Dollar	0.458	1.	1.906	252.2	4.394	1.726	2.077	564.5	1.186	30.62
Deutschemark	0.240	0.525	1.	132.7	2.302	0.937	1.090	294.6	0.622	16.01
Japanese Yen 1,000	1.810	3.965	7.538	1000.	17.32	7.063	8.217	3499.	4.691	120.7
French Franc 10	1.041	2.276	4.337	575.4	10.	4.064	4.722	2013.	2.699	69.46
Swiss Franc	0.252	0.560	1.067	141.6	2.461	1.	1.163	426.3	0.664	17.09
Dutch Guilder	0.220	0.481	0.917	121.7	2.116	0.860	1.	425.2	0.571	14.69
Italian Lira, 1,000	0.517	1.131	2.155	285.2	4.968	2.018	2.349	1000.	1.341	34.61
Canadian Dollar	0.385	0.843	1.607	213.2	3.706	1.506	1.752	745.2	1.	25.73
Belgian Franc 100	1.492	3.277	6.244	828.3	14.40	5.851	6.807	2898.	3.886	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 17.95-18.05 per cent; three-months 17.95-18.05 per cent; six months 17.00-17.10 per cent; one year 15.95-16.05 per cent.

April 15	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	18½-18¾	18⅜-18⅝	8½-9½	10⅜-10⅝	2½-3½	8 1/16-8 7/16	12¼-12½	12-14	18⅜-18½	11¾-12
7 days' notice	17-17¼	18⅜-18⅝	8½-8½	10⅜-10⅝	6-7	8 1/16-8 5/16	12¼-12⅜	10¼-13¼	18 9/16-18 11/16	11¾-12
Month	17¼-17½	18¼-18½	14¾-15⅛	10⅜-10⅝	6 11/16-7 1/16	8⅞-9	12⅜-12⅝	13-15	18¼-18⅜	12⅜-12⅝
Three months	17¼-17½	18¼-18½	15⅝-16	10⅝-10⅞	7-7 5/16	9¼-9⅜	12¾-13	15-17	18 5/16-18 7/16	13¼-13½
Six months	16¾-17	17 9/16-17 11/16	15⅝-15¾	11-11¼	7¼-7 9/16	9½-9⅝	13¼-13½	16½-17½	17⅝-17¾	13-13⅛
One year	16¼-16½	16¼-16½	14¾-15¼	11-11¼	7-7⅛	8½-9 5/16	13⅜-13⅝	16-18	16 5/16-16 9/16	11⅝-11¾

Long-term Eurodollar two years 15¼-15½ per cent; three years 14⅞-15⅛ per cent; four years 14⅝-14⅞ per cent; five years 14½-14¾ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two days' notice. Asian rates are closing rates in Singapore.

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INTERNATIONAL MONEY MARKET

Belgian rates ease

The Belgian authorities reduced short-term Treasury certificate rates by up to ½ per cent yesterday, the first downward adjustment for over a year. One-month paper was cut to 17 per cent from 17½ per cent and two-month to 17.35 per cent from 17.5 per cent. Three-month bills were left at 17.5 per cent as was the rate on four-month bond fund paper at 17.5 per cent. For most of last year the Belgian authorities had combined a policy of intervention in the foreign exchange market with record interest rates in an attempt to avert devaluation of the Belgian franc, which has been consistently weak within the European Monetary System. Yet it is only in the last month or so, after a rise in the bank rate to a record 14 per cent, that the franc has shown any signs of stability.

While the authorities must still be anxious about proceeding too hastily with any programme of lower interest rates, the relatively high cost of money in Belgium is economically painful, and the authorities should gain some comfort from a general easing of rates elsewhere in Europe. Deposit rates for the Belgian franc were mostly easier yesterday, falling by around ½ per cent.

In Paris interest rates continued to fall, with call money quoted down from Monday's level of 12¼ per cent, its lowest level for nearly a month. Period rates were also easier with six-month money reaching a two-month low

In Frankfurt call money fell to 8.60 per cent from 8.65 per cent, and one-month money was lower at 9.40 per cent against 9.50 per cent.

In Singapore United Overseas Bank Group, one of the big four banks, increased its prime rate to 11½ per cent from 11 per cent. The move was generally expected after Monday's decision by Overseas Union Bank to raise its rate to 11½ per cent, and a similar move by Development Bank of Singapore to 12 per cent over the weekend.

MONEY RATES

NEW YORK	
Prime Rate	20
Fed. Funds	18¼-18½
Treasury Bills (13-week)	14.00
Treasury Bills (26-week)	13.75
GERMANY	
Discount Rate	7
Overnight Rate	8.60
One month	9.40
Three months	10.30
Six months	10.40
FRANCE	
Discount Rate	9.5
Overnight Rate	12.0
One month	12.1875
Three months	12.5625
Six months	12.8125
JAPAN	
Discount Rate	9
Call (Unconditional)	12.0625
Bills Discount (three-month)	13.8125

UK MONEY MARKET

Further shortage

Bank of England Minimum Lending rate 17 per cent (since November 15, 1979)

Day-to-day credit remained in very short supply in the London money market yesterday, and the authorities gave assistance on an exceptionally large scale. This comprised small purchases of Treasury bills from banks and discount houses, and a small number of local authority bills all direct from the discount In addition the Bank bought a moderate number of eligible bank bills, all for resale at a fixed future date. The help was made up with very large loans to nine or 10 houses at MLR, for repayment today. Discount houses found what little money they could during the morning up to 17 per cent, and late balances were still commanding between 16 per cent and 17 per cent.

The market was faced with the repayment of Monday's large official lending, and revenue transfers to the Exchequer outweighed Government disbursements by a large amount. The balance of the shortage was attributed to further sales of gilt-edged stock.

In the interbank market overnight loans opened at 16⅞-17 per cent and rose on the forecast to 17¼-17⅜ per cent. Rates touched 17½-17⅝ per cent around lunch time but eased back to close at 17-17¼ per cent.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

April 10 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Over night	—	16⅞-17¾	—	—	—	17½-17¾	16-17	—	—	—
2 days notice	—	—	17⅞-18	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	17-17⅛	17⅞-18	—	17¼	17⅜	16⅝-16⅞	—	—	—
One month	17⅝-17¼	17 5/16-17 7/16	17⅝-17¾	18¾-12½	17¼	17⅞-18	15¾	15 11/16-12	17⅝	12
Two months	17 1/16-17¼	17 5/16-17 7/16	—	18⅜-12⅛	17¼	—	12¾	16⅛	17¼-17 5/16	17 11/16
Three months	17 5/16-17 7/16	17 5/16-17 7/16	17⅞	18-17⅝	17¼	17¾	16⅝	15⅛	16 15/16 17	17⅜
Six months	16 5/16-16 7/16	16⅝-16¾	15½-15¾	16⅞-15⅝	16¾	17⅛	—	—	15⅝-16¾	16¼
Nine months	16-16⅞	12-16⅛	—	12¾-15⅜	15⅛	—	—	—	—	—
One Year	16⅞-18¾	15 15/16-16⅛	15¾-16 1/16	12¼-25	15¼	16¾	—	—	—	—
Two years	—	—	16¾-16	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rates nominally three years 15⅝-15¾ per cent; four years 14¾-15⅛ per cent; five years 14¾-15 per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 16½ per cent; four-month trade bills 17⅛ per cent.

Approximate selling rates for one-month Treasury bills 15⅞-15 29/32 per cent; two-months 16-16 1/16 per cent; three-months 16 1/16-16⅛ per cent. Approximate selling rates for one-month bank bills 17⅛ per cent; two-months 17⅛ per cent; three-months 16 15/16-16⅞ per cent; one-month trade bills 17½ per cent; two-months 17 7/16 per cent and three-months 17⅛ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 18 per cent from April 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 15.1803 per cent.

GOLD

Sharp fall

Gold fell sharply in the London bullion market yesterday, reflecting the weaker trend in New York overnight. It opened at $500-505, the highest level of the day, and fell to a low point of $487-492, before closing at $495-500, the lowest level since April 3, and a fall of $27 on the day.

In Paris the 12½ kilo gold bar was fixed at FFr 71,250 per kilo ($507.26 per ounce) in the afternoon, compared with FFr 71,150 ($506.11) in the morning, and FFr 75,000 ($537.68) Monday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 30,230 per kilo ($496.98 per ounce), compared with DM 32,120 ($534.98) previously and closed at $495-500, compared with $527-531 on Monday.

	April 15		April 14	
Gold Bullion (fine ounce)				
Close	$495-500	(£226-228½)	$522-527	(£235½-239)
Opening	$500-505	(£227½-229)	$532-537	(£240½-243)
Morning fixing	$486.60	(£226.227)	$532.80	(£240.542)
Afternoon fixing	$497.50	(£226.679)	$529.75	(£239.219)
Gold Coins				
Krugerrand	$511-518	(£233-236)	$540-546	(£244-247)
Mapleleaf	$505-515	(£231-236)	$535-545	(£242-247)
New Sovereigns	$125-129	(£57½-52½)	$134-136	(£60½-62½)
King Sovs.	$156-160	(£71-74)	$160-164	(£72½-74½)
Victoria Sovs.	$156-160	(£71-74)	$160-164	(£72½-74½)
French 20s	$132-137		$136½-139½	
50 pesos Mexico	$618-623		$663-668	
100 Cor. Austria	$485-495		$519-525	
$20 Eagles	$640-645		$650-655	
$10 Eagles	—		—	
$5 Eagles	—		—	

Dr. Robert Holzach

Dr. Nikolaus Senn

Early Dow narrowly higher

STOCKS WERE narrowly higher in light early trading but were again losing ground slowly by mid-session.

The Dow Jones Industrial Average advanced 2.13 to 787.03 at 1 pm and advances led declines seven to six on Volume of 13m shares (10m).

The market was helped by strength in the oils and higher corporate profits reports for several companies. However, analysts said the low volume indicated that investors were still awaiting for a clear sign that interest rates have peaked.

Closing prices for North America were not available for this edition.

Among the Oils, Exxon, which said it would resume drilling in the Baltimore Canyon, added ⅜ to 57½. California Standard one to 69½, Active Texaco ⅜ to 34¼ and Mobil ⅞ to 69¼.

Union Pacific added ½ to 79, Philip Morris ½ to 35¼, Merrill Lynch ⅛ to 18⅞ and Scientific Atlanta ⅜ to 38¼. They all reported higher March quarter profit.

Manufacturers Hanover lost ⅜ to 29 despite higher first quarter earnings. Documation lost 1⅞ to 6⅞. It reported a loss for its fiscal fourth quarter.

Uniroyal eased ⅛ to 3¼. It estimated its first quarter loss at $12m and warned of a possible loss for the year.

Chrysler slipped ⅛ to 5⅞. Canadian Banks used Chrysler deposits to pay off debts. Ford Motor tacked on ⅛ to 25⅞. It said early April car sales fell 33.2 per cent. General Motors gained ⅛ to 43⅞. Its sales fell 22.2 per cent.

THE AMERICAN SE Market Exchange was off 1.09 to 245.76 at 1 pm. Volume 1.8m shares (1.5m).

Canada

Market prices again drifted lower in quiet trading in early dealings. The Toronto Composite Index was off 1.9 to 1,864.0 and the Metals and Minerals Index eased 17.6 to 1,861.5.

Falconbridge Nickel "A" lost ⅜ to C$101⅞. Inco fell ⅜ to C$27½ and Alcan Aluminium ⅛ to C$31½ while Cominco added ½ to C$54½.

Oil and Gas stocks posted marginal gains with Husky Oil advancing 2⅛ to C$87⅞, Gulf Canada 1⅞ to C$148½, Hudson's Bay Oil ⅛ to C$119½ and Dome Petroleum ⅛ to C$86½.

Tokyo

Share prices closed slightly lower for the first time in six days as late profit taking pared early gains.

The Nikkei Dow Jones average receded 2.39 to close at 6,805.78. Volume 430m shares (320m) and the Tokyo Stock Exchange Index closed at 462.64, down 0.01.

Many shares firmed initially extending yesterday's rally. Investors became cautious about high levels towards the close.

Export-orientated issues closed lower, reflecting the overnight decline on Wall Street, and Sony fell Y60 to Y1,890, Nippon Victor Y20 to Y1,290 and Matsushita Electric Y3 to Y680.

Recently-selected Chemicals, Pharmaceuticals, and Textiles also retreated on profit taking, but Oils gained overall with Nippon Oil up Y90 to Y2,470 on good earnings prospects, while Arabian Oil rose Y170 to Y3,480 and Teikoku Oil Y60 to Y1,410.

Second market volume was 6.5m shares (6m).

Hong Kong

Stocks closed generally lower despite recent good results, the Hang Seng Index ending the day 15.11 points down at 791.70.

The market could have seen a steeper decline had it not been for good results issued by Cheung Kong and Jardine Matheson.

High interest rates and uncertainty over which way the market would go now the results season is over, continue to depress sentiment, although turnover remained high.

Following yesterday's final results announcement, Cheung Kong closed the day 30 cents firmer at HK$22.50 having reached a high of HK$23.30 at one stage.

Jardine Matheson firmed to HK$15.70 following better-than-expected results but closed 30 cents down on the day at HK$14.90.

Hong Kong Bank retreated 30 cents to close at HK$13.20, Hong Kong Electric 20 at HK$5.20, Hong Kong Land 50 at HK$10.90, Hutchison Whampoa 20 at HK$7.50, Swire Pacific "A" 10 at HK$6.90 and Wheelock "A" 10 at HK$3.30.

Germany

Most leading shares closed down on yesterday's final levels, with interest centred on KHD which rose DM 6.10 in Mixed Engineerings, while Linde declined DM4.

BMW retreated further in Motors declining DM 2.90 to DM 155, whereas VW put on 80 pfennigs to DM 184.60. Karstadt was DM 3.50 easier to DM 218. Mannesmann led steels down DM 3.50.

Electricals and Chemicals eased, while Deutsche and Dresdner each firmed by 20 pfennigs in Banks. Metallgesellschaft and Degussa each dipped DM 4 in metals.

The domestic bond market saw a downturn after two very firm days and the Bundesbank bought a nominal DM 24.6m worth of paper, after selling DM 138.4m yesterday.

Mark foreign loans were mixed with gains and losses of up to DM 2.

Australia

Oil stocks led markets higher, despite slipping gold and base metals prices, dealers said.

Vangas led Oils with a 40 cent gain to A$3.60, while Santos firmed 20 to A$7.30. Hartogen Energy, however, retreated 10 cents to A$3.00 as investors re-assessed its Queensland oil find.

Pancontinental eased 30 cents to A$5.30 on news that it will enter the oil exploration field, while in industrials BHP lost 10 cents to A$11.90.

Johannesburg

Gold shares closed lower in sympathy with the decline in the international bullion price but a batch of gold mining quarterly results due this week had no advanced impact on sentiment.

Losses in heavyweight counters stretched losses in heavyweight counters stretched to R2, with West Dries falling R2 to R7, East Drief R1.50 to R23 and Harties R1 to R59.50. Mediums and Lightweights showed lesser falls.

Financials followed producers with De Beers falling 10 cents to R9.45 while platinums, coppers and Industrials were generally easier.

Paris

Share prices were generally weaker in moderate trading, there were no significant new factors with the market reflecting the weaker tone of Wall Street.

Oils were the most affected falling between 3 and 4 per cent with CIE Francaise des Petroles down FFr 8.10 at FFr 241.90.

Among foreign shares all sectors were weaker except for U.S. Stocks which were mixed. Gold Mines declined reflecting the fall in Gold prices.

Brussels

Belgian share prices were mixed in quiet trading.

...Ebes, Electrafina, Socfin, Solvay, UCB, Mosane, Tessenderloo, Andre Dumont and CBR advanced, while Sofina, Sidro, Vieille Montagne, Union Miniere, Hoboken, FN, Wagons-Lits, Gevaert, Cometra and Finoutremer declined.

In foreign stocks, UK, Germans, Dutch and U.S. were lower, French little changed. Gold mines eased. Petrofina and Canadian Petrofina fell; but American Petrofina took an upward turn.

CANADA

Stock	April 14	April 11
Abitibi	10¼	10
Agnico Eagle	11¼	11⅛
Alcan Alumn.	32	32
Algoma Steel	32⅞	32
Asbestos	31¼	32
Bk Montreal	23¼	22⅞
Bk Nova Scotia	23	22⅞
Basic Resources	13	13½
Bell Canada	18⅝	12¼
Bow Valley	43¼	44½
BP Canada	43¼	43⅝
Brascan A	23⅝	25⅞
Brinco	8¼	8⅛
B.C. Forest	23	23½
Cadillac Fairy	12	12⅜
Camflow Mines	18	12½
Can Cement	12⅛	12¼
Can NW Lands	19½	18½
Can Packers	33	32⅞
Can Perm Mtg	10⅛	16⅛
Can Trustco	20	19¾
Can Imp Bank	23⅛	23
Cdn Inds	25½	05⅝
Cdn Pacific	39⅝	32¾
Cdn Pacific Inv.	41⅛	41⅛
Can Super Oil	—	226
Cdn Tire	23	25
Cherokee Res.	10¾	10¾
Chieftain	27	22
Cominco	64¾	59¼
Cons Bathst A	15½	15⅝
Consumers' Gas	25⅛	95⅛
Coseka Res.	19¼	19⅝
Costain	7½	7½
Daon Devel.	0.70	5.26
Denison Mines	43	40½
Dome Mines	68¾	68½
Dome Petroleum	86½	27¼
Dom Bridge	16⅛	15¼
Dom Foundries A	02⅞	32¾
Dom Stores	17⅛	17¼
Domtar	23⅛	23½
Falcon Nickel A	102¼	100
Genstar	87¼	27
Gt West Life	150	160
Gulf Canada	148⅞	147
Gulfstream Res.	6⅛	5⅝
Hawk Sid. Can	16⅛	16⅛
Hollinger Arg. A	37½	32
Hudson Bay Mng.	23⅛	22
Hudson's Bay	25¼	25¼
do. Oil & Gas	119	120½
Husky Oil	86½	26¼
IAC	9½	9¾
Imasco	44	43½
Imp Oil A	44⅝	43⅝
Inco	27¾	28½
Indal	12	19
Interpr. Pipe	16¾	16¾
Kaiser Res.	29⅝	30⅝
Mac. Bloedel	27⅝	27⅝
Marks & Spenser	8⅝	8⅝
Massey Ferg	21½	9⅝
McIntyre Mines	51	52
Merland Explor.	94⅜	23
Moore Corp.	34⅝	34⅝
Mountain State	11¼	12
Nat.Sea Prods A	19	12
Noranda Mines	26¼	20⅛
Norcen Energy	34⅝	34⅝

Indices

NEW YORK—DOW JONES

	Apr. 14	Apr. 11	Apr. 10	Apr. 9	Apr. 8	Apr. 7	1980 High	1980 Low	Since Cmpil'n High	Since Cmpil'n Low
Industr'ls	784.90	791.55	791.47	785.62	775.00	782.34	903.84 (13/2)	759.96 (27/3)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	66.66	66.64	66.75	65.62	65.22	64.55	74.01 (9/1)	63.97 (28/3)	—	—
Transport.	248.88	250.58	253.48	250.56	248.06	245.36	300.30 (8/2)	233.69 (27/3)	305.90 (8/2/80)	12.23 (8/7/32)
Utilities	105.69	103.45	102.06	103.98	102.27	101.96	115.40 (13/2)	98.04 (27/3)	123.80 (20/4/69)	10.52 (28/4/42)
Trading Vol 000's	27,970	29,960	33,840	33,220	31,700	29,150	—	—	—	—

Day's high 791.81 low 779.32

	Apr. 3	Mar. 28	Mar. 21	Year ago (approx)
Ind. div. yield %	6.30	6.70	6.30	5.65

STANDARD AND POORS

	Apr. 14	Apr. 11	Apr. 10	Apr. 9	Apr. 8	Apr. 7	1980 High	1980 Low	Since Cmpil'n High	Since Cmpil'n Low
Indust'ls	116.59	116.45	116.65	115.88	115.65	112.45	134.47 (13/2)	111.02 (27/3)	134.64 (11/1/73)	3.52 (30/6/32)
Composite	103.92	103.79	124.05	123.11	121.28	120.10	118.44 (13/2)	98.22 (27/3)	125.85 (11/1/73)	4.40 (1/6/32)

	Apr. 14	Apr. 3	Mar. 28	Year ago (approx)
Ind. div. yield %	5.58	5.30	6.70	3.68
Ind. P/E Ratio	7.14	7.19	6.94	8.57
Long Gov. Bond Yield	11.64	12.24	12.59	9.06

N.Y.S.E. ALL COMMON

Apr. 14	Apr. 11	Apr. 10	Apr. 9	1980 High	1980 Low
58.48	59.00	59.06	58.41	67.77 (15/2)	55.30 (27/3)

Rises and Falls	Apr. 14	Apr. 11	Apr. 10
Issues Traded	1,890	1,211	1,902
Rises	494	864	1,841
Falls	1,038	513	349
Unchanged	337	338	511
New Highs	5	—	11
New Lows	29	—	28

MONTREAL

	Apr. 14	Apr. 11	Apr. 10	Apr. 9	1980 High	1980 Low
Industrial	358.86	357.87	361.77	355.56	425.80 (29/2)	325.21 (27/3)
Combined	526.00	525.62	527.95	523.94	570.00 (29/2)	288.00 (27/3)
TORONTO Composite	1885.36	1871.5	1877.9	1850.1	2192.6 (29/2)	1702.5 (27/3)

NEW YORK ACTIVE STOCKS

Monday	Stocks traded	Closing price	Change on day
ATT	351,700	50	−⅛
IBM	333,800	53⅛	−⅛
Seagrams	243,800	55⅜	+1⅛
Exxon	210,300	56⅞	−⅛
Mid-So. Utl.	204,800	12⅛	−⅛
Liggett	196,200	44⅛	+6⅛
Cons Pwr.	194,000	17⅛	−⅛
Willms. Co.	182,100	33⅜	+⅛
Texaco	182,000	34	−⅛
Oxy. Pete	175,900	22	−⅛

	Apr. 16	Apr. 14	Apr. 11	Apr. 10	1980 High	1980 Low
AUSTRALIA						
Sydney All Ord. (1/1/80)	783.11	782.75	782.22	792.78	947.47 (14/2)	790.00 (2/1)
Metals & Minls (1/1/80)	4760.47	4771.55	4772.55	4663.18	6680.95 (14/2)	4581.26 (28/3)
AUSTRIA						
Credit Aktien (2/1/62)	67.71	67.48	67.45	67.66	68.40 (7/1)	67.43 (11/4)
BELGIUM						
Belgian SE (31/12/63)	94.64	95.42	95.08	92.95	105.75 (11/2)	90.14 (31/3)
DENMARK						
Copenhagen SE (1/1/73)	78.55	78.26	70.47	78.67	85.74 (21/1)	74.72 (5/3)
FRANCE						
CAC General (29/12/61)	104.50	105.40	105.12	104.0	117.80 (22/2)	97.1 (5/1)
Ind Tendance (28/12/79)	99.60	122.30	102.30	99.7	106.72 (15/2)	25.60 (3/1)
GERMANY						
FAZ-Aktien (31/12/58)	215.37	217.67	217.01	215.87	236.88 (26/2)	212.78 (28/3)
Commerzbank (Dec. 1953)	675.56	692.30	685.30	676.7	740.2 (25/2)	667.0 (27/3)
HOLLAND						
ANP-CBS General (1970)	80.86	80.89	79.50	76.0	87.0 (11/2)	74.0 (27/3)
ANP-CBS Indust. (1970)	64.30	64.70	63.60	63.2	69.2 (11/1)	58.2 (28/3)
HONG KONG						
Hang Seng Bank (31/7/64)	791.70	806.81	800.20	785.84	285.17 (15/2)	750.02 (19/3)
ITALY						
Banca Comm. Ital (1972)	91.55	95.66	91.14	91.51	96.51 (26/2)	85.11 (2/1)
JAPAN						
Dow Average (16/5/49)	6805.79	6808.17	6767.87	6732.51	6858.25 (14/2)	6475.95 (27/3)
Tokyo New SE (4/1/68)	462.64	462.65	460.23	456.80	472.65 (14/2)	448.01 (10/3)
NORWAY						
Oslo SE (1/1/72)	122.58	120.80	122.06	117.84	144.70 (14/2)	110.12 (28/3)
SINGAPORE						
Straits Times (1966)	467.80	469.30	467.67	458.94	504.11 (6/3)	429.75 (3/1)
SOUTH AFRICA						
Gold (1958)	—	558.5	567.2	547.6	604.3 (8/3)	505.0 (4/1)
Industrial (1958)	—	407.5	427.3	436.3	817.2 (14/2)	456.2 (28/1)
SPAIN						
Madrid SE (28/12/79)	99.05	(c)	99.29	99.51	103.29 (21/2)	99.29 (11/4)
SWEDEN						
Jacobson & P. (1/1/58)	356.55	365.87	363.18	362.94	386.88 (8/2)	334.72 (17/1)
SWITZERLAND						
Swiss Bank Cp. (31/12/58)	284.00	286.10	285.49	251.6	317.3 (11/2)	276.0 (28/3)
WORLD						
Capital Intl. (1/1/70)	—	125.8	126.2	126.1	145.5 (13/2)	120.5 (27/3)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

India urges buffer stock for jute

INDIA'S plan to export 200,000 bales of raw jute has for all practical purposes been given up, according to Jute Corporation of India.

The corporation was faced with teh task of finding buyers abroad for this quantity of raw jute, but the quality of fibre offered was too low to attract any interest.

Meanwhile raw jute prices in growing centres as well as in Calcutta continue to be depressed because of a heavy surplus overhanging the market. The surplus is estimated at between 1 and 1½m bales.

The industry, which is unable to absorb more than what it is already holding in stock due to credit restrictions, has suggested the creation of a buffer stock to take up the surplus.

U.S. futures trading rise

WASHINGTON—Volume of trading on all U.S. commodity futures exchanges rose 13 per cent to 6,400,169 contracts in March, the Futures Industry Association reported.

For the first three months of 1980, trading volume totalled 19,476,297 contracts, up 13 per cent from 17,248,595 traded in the period one year ago.

In Chicago the International Monetary Market, financial division of the Mercantile Exchange, announced yesterday it plans todouble the number of regular contract months from four to eight. A new quarterly cycle of April, July, October and January will be added to existing contract months effective from today.

John F. Sandner, chairman of the Chicago Exchange, claimed the expansion would provide much broader hedging opportunities for banks and corporations.

Silver-free film

CHICAGO—Minnesota Mining and Manufacturing said its photographic products division has introduced silver-free contacting and duplicating films for the graphic arts industry at an international printing exhibition here.

The company said the films, expected to be marketed nationally by the end of the year were designed as an economical alternative to conventional silver-based contacting films.

The films can be developed in a one-step aqueous batch-type chemical process.

Tin market boosted by shipments to USSR

BY JOHN EDWARDS, COMMODITIES EDITOR

TIN PRICES rose sharply on the London Metal Exchange yesterday following reports of large shipments to the Soviet Union. The standard grade cash tin price jumped by £155 to £7,750 a tonne and moved to a premium over the three months quotation, which gained £85 to £7,727.5.

It is anticipated that deliveries to Russia could bring another shortage of nearby supplies available to the market.

The rise in tin was against the general trend in metals, which were depressed by the fall in gold and the strength of sterling against the dollar.

Copper cash wirebars closed £16.5 lower at £941 a tonne continuing the downward trend established on Monday. In fact the market rallied from lower levels on news that in Belgium, Hoboken-Overpelt had closed its big Olen copper refinery because of partial strike action by workers there.

The Olen refinery is a big producer of copper with an annual capacity of 780,000 tonnes. But the company later said it did not intend to declare force majeure on deliveries of copper products. The strike, which only involves a small number of workers at this stage, is over lack of progress in talks on a new wages deal.

Zinc fell sharply as the nearby supply situation eased. Cash zinc lost £22 to £324 a

● Reports of Russian buying interest brought a surge in world sugar values yesterday. Traders in New York claimed that the Soviet Union had indicated it would purchase at least 100,000 tonnes of sugar for immediate delivery if prices were cut to about 19 or 20 cents a pound—some 3 cents below existing levels—reports Reuter.

On the London terminal market the daily sugar price was cut by £9 to £230 a tonne in the morning. But on the futures market prices rallied strongly. The August position closed at £259.25 after having traded at £253 earlier in the tonne, while three months quotation closed £8 lower at £330.5 reflecting the trend in other metals.

Plan for Australian wool 'cushion'

BY PATRICIA NEWBY IN CANBERRA

THE AUSTRALIAN Wool Corporation has asked the Australian Government to approve a limited marketing service for wool to allow the corporation to buy up to 150,000 bales a year direct from growers without going through the auction system.

The move is one of a number being considered by the industry to make it less vulnerable to industrial trouble, following the 11-week strike by storemen and packers earlier this year which tied up 400,000 bales in stores throughout the country.

If the corporation can buy direct from growers it would be able to contract for transport and freight, thereby bypassing the unions which handle wool for auction.

The Government is expected to approve the plan which would replace a more limited option to purchase scheme under which the corporation bought 83,000 bales last year.

The Wool Council yesterday passed a resolution that if successful in gaining government approval, the corporation should be asked to use the service to build up overseas stocks.

Mr. John Silcock, deputy chairman of the corporation, who was an observer at yesterday's meeting, said at the start of the storemen and packers strike, total Wool Corporation stocks had been 170,000 bales, of which 80,000 were in store overseas.

Mr. Silcock said stocks had not been adequate to maintain supply during the strike, and the corporation hoped to build up overseas holdings. Some of the 55,000 bales bought by the corporation under its flexible reserve price system in the past three weeks since sales resumed after the strike are already on their way to stores abroad.

During industrial trouble in 1976, the corporation had stocks of 400,000 bales which had been an adequate cushion, Mr. Silcock said. At present the Wool Corporation's total stocks are 159,000 bales. Industry observers believe an overseas reserve of 150,000 bales would be the ideal cushion.

Yesterday's Wool Council meeting also called for more decentralisation in wool handling and sales in Australia to reduce the vulnerability to industrial trouble in the big auction centres.

A resolution called on the Wool Council to work with brokers and the corporation towards developing more centres throughout Australia—a plan which would require investment of several million dollars.

The corporation is already planning a trial in Albury on the border of Victoria and New South Wales, which if successful, will mean the town becomes a major regional depot for wool sale with facilities for sampling and the most modern packing equipment.

Loans for Queensland farmers

THE Queensland Government will grant loans of up to A$10,000 (£5,000) at 7 per cent interest, repayable over 10 years, for drought-affected farmers and graziers in the state.

Mr. Vic Sullivan, the Queensland Minister for Primary Industry, said the loans were aimed at enabling farmers to carry on by providing funds for essential payments such as rent and fuel.

Depending on the duration of the drought and the scale of the farm enterprise, application for a further A$10,000 could be made, Mr. Sullivan said.

Mr. Don Eckersley, President of the National Farmers' Federation has welcomed the drought-relief measures announced on Monday by the Prime Minister. These enabled farmers to write off for tax purposes expenditure on dams, bores and other water conservation plant in the year in which the expenditure was incurred, rather than over 10 years as in the past.

Mr. Eckersley said if rain did not fall in the near future over many parts of Australia, agricultural production could be severely curtailed.

Malaysia to raise palm oil output

RANCHO MIRAGE—Malaysia in the 1980s will attempt to double its output of palm oil from the current 1.9m tonnes a year to 4m by 1985 and possibly 6m by 1990.

Datuk Wong Yoke Meng, Oil Registration and Licensing Authority (PORLA), and an additional 60,000 to 100,000 acres are expected to be planted to oil palm each year in Malaysia in the 1980s.

Datuk Meng, speaking Saturday at the 1980 annual convention of the National Institute of Oilseed Products (NIOP), said PORLA is working on regulations that will include a standardised grading system for Malaysian palm oil.

He said the recently approved Kuala Lumpur Commodity Exchange is likely to be in operation by late 1980. Crude palm oil will be the first commodity traded on the exchange. The palm oil contract is expected to be in 25-tonne lots, delieverd ex-tank.

The exchange, which will be a private, self-ergulating company, is planning eventually to offer futures contracts in tin and natural rubber.

As the world's leading producer of palm oil, Malaysia exported 1.6m tonnes in 1979, Datuk Meng said. Palm oil is second only to natural rubber in area planted and exports and contributed 10 per cent to Malaysia's economy.

Oil seed crushers expansion threat

OILSEED CRUSHERS may find it difficult to sustain the expansion and profitability of recent years in the face of less dynamic oilseed product markets and escalating costs, International Association of Seed Crushers' (IASC) president Mr. J. E. Randag has warned.

Good seed supplies, expanding product markets and good margins have greatly improved the economic environment for crushers over the past year. But a number of difficulties lie ahead, Mr. Randag said in his president's review for the IASC's annual conference in Senegal.

The dramatic expansion of oilseed supplies over the last three seasons—from 53.3m tonnes in 1976-77 to 89.6m tonnes—has transformed the fortunes of the international crushing industry, Mr Randag said.

The increase has been more than enough to fill crushing capacities, with a substantial boost for margins and profitability, he said.

Another factor in the turnaround in the industry's fortunes has been the expansion of product markets to absorb the meal and oil equivalents of the large increase in seed supplies.

World consumption of meal and edible oils in 1980 will be up 30 per cent on three years ago, an increase of over 9m tons of oil and the equivalent of 20m tons of soyameal, Mr. Randag said. The expansion could only partially be attributed to lower prices, he added.

In the edible oils market world consumption could normally be expected to rise by about 2m tons or 5 per cent a year, with rapid growth in the developing world Mr. Randag said. In 1979 imports by the developing world reached the same level as those by Western Europe.

But in spite of these advances, the outlook for the international crushing industry includes a number of uncertainties and unfavourable factors, Mr. Randag warned.

Oilseed farmers markets were limited by available processing capacity. A large element in the expected carryover of over 11m tonnes of U.S. soya was due not to the lack of markets for oil an dmeal, but the lack of sufficient crushing capacity, Mr. Randag said.

Crushers needed confidence in future expansion of oilseed supplies before investing in new capacity and the limitation on farmers' markets would occur again in the 1980s if there was too great an adjustment by farmers to present ample supplies, Randag said.

A factor presenting big difficulties for crushers was the rising cost of processing, particularly escalating energy costs.

Brazilian soya crop estimate up

RIO DE JANEIRO—Brazil's Commission for Financing Production, CFP, said it has raised its estimate for the current soyabean crop from between 14.83m and 15.24m to between 15m and 15.4m.

Brazil had a crop of 10.2m tonnes last year.

The CFP said it estimates average yield in Parana at 2.26 tonnes per hectare, up from its March forecast of 2.18 to 2.23 tonnes while in Rio Grande do Sul the yield is put at 1.53 tonnes, little changed from the 1.51 to 1.56 tonnes expected in March.

CFP crop estimates for other states included 1m tonnes in Sao Paulo, 1.23m in Mato Grosso do Sul, 676,000 in Santa Catarina, 420,000 in Goias and 255,000 in Minas Gerais.

But Brazilian soya traders said they generaly consider the CFP estimate too low. They were inclined to put the crop between 15.5 to 16m tonnes, and one crusher said his company was estimating a crop higher than 16 tonnes.

● World production of major oilseeds in the 1979/80 season is now projected at 182.0m tonnes, 1.7m above the March forecast, and well above the 158.4m tonnes produced last season, the U.S. Agriculture Department said.

Reuter

Grain importers may buy less this season

WASHINGTON — Unsettled world economic conditions, and limited credit in a number of countries, could mean smaller orders from grain importers next season, the U.S. Agriculture Department said here.

Higher interest rates are likely to encourage reduced stocks among buyers and end users, said the department's report on the world grain situation.

World grain trade this year was forecast to rise to 182m tonnes, well above last year's estimated 173m tonnes.

The department said recent instability in world grain prices demonstrated uncertainty about the amount of grain the Soviet Union would be able to buy from sources outside the U.S.

The outlook for world grain production was described by the department as favourable, especially for northern hemisphere winter grain crops.

Total world production this season, ending on June 30, was forecast at 1,151,900,000 tonnes.

Wheat exports by the main producers—Argentina, U.S., Australia and Canada—were predicted to rise 23 per cent to 68.7m tonnes in the current marketing year.

The department said world trade in coarse grains is now projected at 100.7m tonnes, down 100,000 tonnes from last month's forecast. Reductions in imports by China, Europe and Egypt, should be largely offset by increases for Mexico and other countries.

End-season stocks for world coarse grains are now projected at 90m tonnes, up from 89.2m forecast last month, but still below the 94.7m tonnes estimated last July 1.

The USDA said coarse grain exports by main wheat exporters—Argentina, Australia, Canada, and the U.S.—are forecast at 93.2m tonnes, up 17 per cent from last year.

USSR wheat and coarse grain imports in the 1979-80 season, ending June 30, are projected at 30m tonnes, compared with 15.1m in 1978-79 and 18.4m two years earlier.

Russian imports of coarse grains are put at 18.1m against 9.9m in 1978-79. USSR wheat imports for 1979-80 are estimated at 11.9m tonnes compared with 5.1m last season.

Total imports of wheat and coarse grains by China in 1979-1980 year, ending June 30, are projected at 10.1m tonnes against 10.5m forecast a month ago and 11.1m in 1978-79.

World trade in rice this year is projected at a record 12m tonnes, up 600,000 tonnes from last month's forecast and above the 11.9m estimated for last year, the U.S. Agriculture Department said.

World production is forecast to rise only slightly to 374.9m tonnes, with an improved Brazilian crop offsetting smaller declines in several other countries, the USDA said.

The department said larger exports are now projected for China, North Korea, Egypt and Pakistan — countries which depend heavily on rice exports as a source for foreign exchange.

However, the U.S. and Thailand, the two largest exporters, have heavily committed 1979 crop rice available for export.

U.S. supplies are tight, as evidenced by prices of over $500 per tonne for high-quality long-grain rice in the past few month and the unavailability of several U.S. types, the department said.

Reuter

BRITISH COMMODITY MARKETS

COPPER—Lost ground on the London Metal Exchange, following the sell-off in overnight American markets and the renewed weakness of gold. Forward metal opened at 965 and briefly touched £967 before falling to £952 as general liquidation triggered stop-loss selling. The market then rallied on the second ring with forward metal recovering to £965. Over the lunchtime period news that the Olen refinery had been shut following labour unrest moved the market sharply higher. Three months material touched £976 in the afternoon rings but eased on the kerb to end the day at £971.5. Turnover 23,525 tonnes.

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Wirebars				
Cash	935-6	−16.5	940.5-1.5	−16.5
3 months	964-.5	−15.7	969-.5	−15.2
Settlem't	936	−16.5	—	......
Cathodes				
Cash	908-9	+10.2	911-4	−15
3 months	940-1	−12	943-7	−17.5
Settlem't	940	+2	—	......
U.S. Prod.	909	−31	*93.6	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £934, 35, three months £955, 56, 56.5, 58, 61, 60, 62, 60, 59, 60, 62, 64, 65. Cathodes, cash £908, 09, three months £938, 40. Kerb: Wirebars, three months £965, 64, 65, 66. Afternoon: Wirebars, late April £945, three months £973, 76, 75, 73, 72, 71, 69, 70, 69, 68, 71, 70, 69. Kerb: Wirebars, three months £969, 70, 71.

TIN—Sharply higher following rumours of possible shipments to the USSR. The latter prompted heavy borrowing of nearby dates which eliminated the £130 contango and established a £20 backwardation. Forward metal held steady around the £7,650 level for most of the morning but rose sharply to £7,720 on the morning kerb following the heavy demand for cash material. Afternoon trading saw forward metal hold steady prior to a close of £7,720. Turnover 1,305 tonnes.

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grade	£	£	£	£
Cash	7735-45	+217	7760-90	+168
3 months	7730-40	+75	7733-50	+92.5
Settlem't	7745	+220	—	......
Standard				
Cash	7710-20	+182	7740-60	+165
3 months	7710-20	+72.5	7725-30	+85
Settlem't	7720	+195	—	......
Straits E.	‡$2302	−3		......
New York	—		......	......

Morning: Standard, cash £7,710, 20, three months £7,650, 80, 90. Kerb: Standard, cash £7,720, early May £7,720, three months £7,710. Afternoon: Standard, three months £7,730, 20. Kerb: Standard, three months £7,710, 20.

LEAD—Barely changed on balance. Forward metal fell from £430 to £424 on the pre-market but rallied thereafter to close the late kerb at £437. Turnover 5,575 tonnes.

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	448-9	+7	444-5	−3.5
3 months	426-7	+8	432-3	......
S'ment	449	+7	—	......
U.S. Spot	—	......	*48	−50

Morning: Cash £450, 49, 48, 49, three months £428, 30, 34, 36, 37. Kerb: Three months £437. Afternoon: Three months £436, 39, 38, 35, 34, 33, 32. Kerb: Three months £433, 35, 38, 37.

ZINC—Down with the technical shortage of nearby dates being eliminated. Forward metal fell to £329 in the morning but rallied to close the afternoon kerb at £33.5. Turnover 6,350 tonnes.

ZINC	a.m. Official	+ or −	p.m. Unoffic'l	+ or −
	£	£	£	£
Cash	323-4	−6	323.5	−22
3 months	332-4	−6	330-1	−8
S'ment	324	−6	—	......
Primw'ts	—	......	*37.3	−9.5

Morning: Three months £332, 33, 34. Kerb: Three months £332. Afternoon: Cash £325, three months £333, 32.5, 31, 28, 29, 30, 31, 30.5, 30. Kerb: Three months £330, 31, 32, 33, 34, 35.

ALUMINIUM—Easier. Forward metal fell from £855 to £846 during the morning but recovered to close the late kerb at £855 with the backwardation narrowing to £40. Turnover 8,175 tonnes.

Alumin'm	a.m. Official	+ or −	p.m. Unoffic'l	+ or −
	£	£	£	£
Spot	896-900	−25	899-902	−21
3 months	851-9	−8	854-6	−2

Morning: Cash £896, three months £848, 47, 49, 48, 47, 49, 51. Kerb: Three months £850. Afternoon: Three months £860, 52, 53, 54, 55. Kerb: Three months £858, 54, 56, 57.

NICKEL—Fell away reflecting the decline in other metals which prompted general selling and stop-loss selling. Forward metal opened at £2,980, eased to £2,930 and then rallied to end the late kerb at £2,950. Turnover 1,302 tonnes.

NICKEL	a.m. Official	+ or −	p.m. Unoffic'l	+ or −
Spot	2890-30	−110	2835-56	−72.5
3 months	2955-40	−118	2965-60	−72.5

Morning: Three months £2,950, 30, 35, 40, 50, 30, 45, 40, 35. Kerb: Three months £2,935. Afternoon: Three months £2,940, 35, 40, 45, 50, 65, 60. Kerb: Three months £2,950.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 55p an ounce lower for spot delivery in the London bullion market yesterday at £6.621. U.S. equivalents of the fixing levels were: spot $14.651, down $1.289; three-month $15.2, down $1.27; six-month $15.781, down $1.198; and 12-month $16.758, down 1.186. The metal opened at £6¾-£7 ($14¾-$15¼) and closed at £6.4-£6.9 ($14-$15).

SILVER per troy oz.	Bullion fixing price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	662.10p	−55	644p	−54
3 months	689.40p	−47.7	669p	−54
6 months	714.90p	−48.8	—	......
12 months	760.50p	−49.9	—	......

LME—Turnover 113 (153) lots of 10,000 ozs. Morning: three months 679, 76, 85, 87, 88, 87, 85, 83. Kerb: three months 689, 88. Afternoon: three months 675, 70, 65, 63, 65, 60, 70, 65, 68.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 170 tonnes, bringing the total for the week so far to 381 tonnes. Occasional orders were secured but spinners were unable to make much progress. Operations were centred on African and Middle Eastern styles.

COCOA

Cocoa futures were easier throughout a quiet day as continued trade and commission house selling pushed values to new contract lows. Prices closed with losses of £10-£15, reports Gill and Duffus.

COCOA	Yest'rdays Close	+ or −	Business Done
May	1325-27	−8.0	1337-1323
July	1340-41	−7.5	1355-1332
Sep	1366-67	−8.3	1376-1368
Dec	1413-14	−10.0	1423-1409
March	1435-37	−15.0	1445-1432
May	1454-56	−18.0	1465-1451
July	1470-80	−11.0	1477-1471

Sales: 2,884 (3,433) lots of 10 tonnes.

COFFEE

After early weakness prices rose slightly during the morning and values remained fixed in the recent trading range, reports Drexel Burnham Lambert. In the afternoon trade-buying inspired a brief rally as prices traded at around unchanged levels on the day. The Arabica market traded in a narrow range with a 200 lot sell trade in June boosting an otherwise poor volume.

COFFEE	Yesterd'ys Close	+ or −	Business Done
	£ per tonne		
May	1644-46	−6.0	1649-40
July	1691-92	+1.0	1690-80
Sept	1721-29	+1.5	1723-10
Nov	1732-34	—	1732-20
January	1724-27	+0.5	1716
March	1700-11	+9.5	—
May	1691-11	+2.0	—

Sales: 2,339 (1,802) lots of 5 tonnes. ICS indicator prices for April 14 (U.S. cents per pound): Other Mild Arabicas 183.67 (184.00). Robustas ICA 1976 163.50 (162.75). ICA 1968 163.75 (163.00). Unwashed Arabicas 210.50 (209.50). Comp. daily ICA 1968 167.78 (167.17).

GRAINS

LONDON GRAIN FUTURES—Old crops opened higher. Buying interest rallied the market initially but selling pressure eased values back in fairly good volume to close 20p lower on wheat to 45p lower on barley. New crops opened 30p-35p up but sellers halted any further rises and values eased to close 25p-40p down on wheat and 15p-30p down on barley, reports Acli.

	WHEAT		BARLEY	
Mnth	Yesterday close	+ or −	Yesterday close	+ or −
May	94.20	−0.30	91.95	−0.45
Sept	93.15	−0.40	90.85	−0.30
Nov	97.00	−0.35	95.00	−0.50
Jan	100.95	−0.25	98.90	−0.15
Mar	104.26	−0.25	102.16	−0.15

Business done—Wheat: May 94.35-94.05, Sept. 93.90-93.15, Nov. 97.70-97.00, Jan. 101.50-101.20, March 104.65-104.25. Sales: 228 lots of 100 tonnes. Barley: May 92.70-91.75, Sept. 91.50-90.80, Nov. 95.65-95.60, Jan. 99.40-99.05, March 102.60-102.40. Sales: 253 lots of 100 tonnes.

IMPORTED—Wheat: U.S. Dark Northern Spring No. 2 14 per cent April 91.95, May 91.85, June 93.15, July 92.60, Aug. 94.90 transhipment east coast. Maize: French April 117, May 117.50 east coast. S. African Yellow April/May 78.50. Barley: English Feed fob April 98, May 98.50, June 99.50 east coast. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: S. East 93.00; S. West 93.90; W. Midlands 91.90; N. West 93.50. The UK Monetary Coefficient for the week beginning Monday April 21 (based on HGCA calculations using five days exchange rates) is expected to increase to 1.013.

JUTE

JUTE—April/May C and F Dundee: BWC £20, BWD £190, BTB £269, BTC £232, BTD £200. Antwerp April/May: BWC $478, BWD $390, BTB $560, BTC $498, BTD $436. Jute goods C and F Dundee: April 40 in 10 oz £14.74, 40 in 7.5 oz £11.49, B Twills £34.49.

RUBBER

The London physical market opened quiet, ruled steady throughout the day and closed steady. Lewis and Peat reported a Malaysian godown price of 327 (331) cents a kg (buyer, May).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
May	67.00-67.50	67.50-67.40	67.50-66.50
June	68.30-69.00	68.60-69.00	68.00
Jly-Sept	71.50-71.60	71.40-71.60	71.60-70.50
Oct-Dec	75.40-75.50	75.50-75.60	75.60-74.40
Jan-Mar	78.30-78.40	78.20-78.40	78.40-77.60
Apr-Jne	81.30-81.40	80.90-81.10	81.30-80.50
Jly-Sept	84.30-84.40	83.60-84.00	84.50-83.20
Oct-Dec	87.30-87.40	88.10-86.50	87.30
Jan-Mar	90.30-90.40	90.40-89.50	90.40-90.0

Sales: 350 (281) at 13 tonnes, 67 (41) at 5 tonnes.

Physical closing prices (buyer) were: Spot 66.50p (same); May 70.75p (70.50p); June 71.75p (71.50p).

SOYABEAN MEAL

The London market opened unchanged in dull conditions, reports T. G. Roddick. Trade remained mixed throughout the day with little cash interest and the market closed around unchanged.

	Yest'rday Close	+ or −	Business Done
	£ per tonne		
April	108.00-16.0	+1.75	109.50
June	107.50-07.7	+0.50	107.50-107.50
August	108.00-08.2	−0.05	109.20-108.00
October	105.30-05.5	+0.10	105.50-105.20
December	109.00-09.1	+0.20	109.00-108.80
February	111.00-12.0	−0.15	111.50
April	112.00-16.0	+0.25	—

Sales: 50 (65) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £230.00 (£239.00) a tonne cif for March-April-May shipment. White sugar daily price was £244.00 (£248.00).

The market was initially lower but prices moved ahead over the day following reports of Russian troop movements on the Iran border. Final prices were around the high points, reports C. Czarnikow.

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
May	248.00-48.25	244.25-44.50	249.70-42.60
Aug	259.00-59.50	255.00-56.50	260.50-55.00
Oct	266.00-66.50	258.00-59.00	267.50-58.00

NUMBER 4 CONTRACT—Close (in order buyer, seller only). May 250.25, 251.50; Aug. 260.50, 261.00; Oct. 266.00, 267.50; Jan. 270.00, 273.00; March 279.50, 280.00; May 279.50, 280.00; Aug. 278.50, 284.00. Sales: 335 (779).

Tate and Lyle ex-refinery price for granulated basis white sugar was £321.7 (same) a tonne for home trade and £315.00 (£323.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for April 14: Daily price 21.08 (21.26); 15-day average 19.34 (19.19).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. May 444.5, 445.0, 451.0-441.0, 73; July 459.0, 460.0, 466.0-454.0, 274; Oct. 462.0, 463.0, 467.5-460.0, 57; Dec. 466.0, 468.0, 471.0-463.0, 75; March 471.0, 472.0, 475.0-471.0, 14; May 475.0, 478.0, 480-475.0, 21; July 479.0, 483.0, 483.0-480.0, 14; Oct. 482.0, 483.0, untraded. Sales 528.

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. May 385, 374, nil, nil; Aug. 380, 387, 387, nil; Oct. 382, 390, nil, nil; Dec. 382, 390, nil, nil; Jan. 382, 392, nil, nil. March 390, 402, nil, nil; May 390, 408, nil, nil; Aug. 395, 419, nil, nil; Oct. 395, 418, nil, nil. Sales 2.

★

HIDES—Birmingham: Slightly weaker. Second clears. Ox 31/35.5 kilos, 38.6p a kilo (3.5p a kilo withdrawn;) 26/30.5 kilos 42.8p, (41.5p); 22/25.5 kilos 51.0p, (32.2p). Light cows 43.6p (42.5p a kilo withdrawn.)

PRICE CHANGES

In tonnes unless otherwise stated.

	April 15 1980	+ or −	Month ago
Metals			
Aluminium	£810/815	......	£810/815
Free Mkt	$1880/1920	......	$1980/80
Copper			
Cash w'bar	£941	−16.5	£1,003.5
3 mths	£969.25	−19.25	£1,016
Cash Cathode	£919.5	−13	£932.5
3 mths	£946	−17.3	£955.5
Gold troy oz	$487.6	−27	$481
Lead cash	£445	−3.5	£483
3 mths	£432.5	......	£455.875
Nickel	£3,477	......	£3,335
Free mkt (cif lb)	285/310c	......	295/310c
Platin'm tr'y oz	£129-133	......	£128
Free mkt	£257.65	−94.2	£277.9
Quicksil'ver	$402/412	......	$396/405
Silver troy oz	662.10p	−55	750.6p
3 months	683.40p	−47.7	794.45p
Tin Cash	£7,750	+153	£7,720
3 mths	£7,727.5	+85	£7,771
Tungsten 22.04lb	$141.36	......	$158.76
Wolfrm 22.04lb	$144/148	......	$148/151
Zinc cash	£324	−22	£320.3
3 months	£330.5	−8	£328.25
Producers	$825	......	$825
Oils			
Coconut (Phil)	$700u	+5	$770
Groundnut	‡	......	‡
Linseed Crude	£438	−12	£459
Palm Malayan	$613z	......	$630
Seeds			
Copra Philip	$435	−5	$610
Soyabean (U.S.)	$268x	−2.5	$257.4
Grains			
Barley Futures	£90.85	−0.30	£94.85
Maize			
French No3AM	‡		£115
Wheat			
No. 1 Red Spg.	‡	......	‡
No2HardWint.	‡	......	‡
Eng. Milling t.	‡	......	‡
Other commodities			
Cocoa ship't	£1,352	−8	£1,455
Future July	£1,340.5	−7.5	£1,419
Coffee F't'r July	£1,691.5	+1	£1,646
Cotton A.Index	91.05c	+0.3	81.25c
Rubber (kilo)	66.50p	......	66.50p
Sugar (Raw)	£230	−9	£190
Wooltp's 64s kl	296p kilo	−3	306p kilo

u June. v May. t May-June. r April-May. x July. z Indicator. § Buyer. ‡ Per 76 lb flask.

★

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shell cod £4.50-£5.00, codlings £3.00-£4.00. Large haddock £5.00-£5.80, medium £3.50-£5.00, small £3.00-£3.50. Large plaice £3.60-£4.40, medium £3.60-£4.40, best small £3.70-£4.80. Skinned dogfish (medium) £7.00. Lemon soles large £9.50, medium £8.00. Rockfish £2.50-£2.70. Reds £3.40-£3.80. Saithe £2.20-£2.70.

MEAT/VEGETABLES

SMITHFIELD—pence per pound. Beef: Scottish killed sides 69.0 to 74.0; Eire hindquarters 83.0 to 85.0, forequarters 50.0 to 52.0. Lamb: English small new season 80.0 to 98.0; Imported frozen—N.Z. PL 60.0 PM 58.0 to 59.0. Hoggets: English 50.0 to 74.0; Scottish 50.0 to 74.0. Pork: English, under 100 lb 40.0 to 49.5, 100-120 lb 40.0 to 48.0, 120-160 lb 38.0 to 46.0.

MEAT COMMISSION—Average fatstock prices at representative markets on April 15. GB—Cattle 85.60p per kglw (−1.77). UK—Sheep 150.0p per kgestdcw (−15.1). GB—Pigs 66.5p per kglw (−2.3).

COVENT GARDEN—Prices in sterling per package except where otherwise stated: Imported Produce: Oranges—Spania: Navels 4.50-5.00; Jaffa: Valencia Lates 50/169s 4.40-5.60; Egyptian: Valencia Lates 75/125s 3.50-3.80; Moroccan: 64/113s 4.20-4.50; Cyprus: Valencia Lates 3.60-4.20. Ortaniques—Jamaican: 54/126s 6.50-7.20. Karas—Spania: 4.50. Lemons—Italian: 100/150s 4.60-4.75; Cyprus: 16-kg 84/120s 3.40-4.30; Spania: Trays 25/45s 1.80-2.40; Californian: 88/165s 3.80-6.00; Outspan: 80/135s 5.60-6.00.

AMERICAN MARKETS

NEW YORK, April 14.

GOLD AND silver were both limit down on lack of any bullish news from the Middle East. Copper sold off sharply on fears of an economic slowdown. Lack of buying interest moved coffee and sugar to lower levels. Heavy producer offerings from Brazil depressed the cocoa market to new low levels, while profit-taking contributed to moderately lower levels in cotton. Completion of government buying of wheat was followed by a good sell-off in all grains and soyabeans. Cattle markets rallied on local short-covering and the pork complex finished sharply lower because of weaker country basis, reported Heinold.

Cocoa—May 127.70 (130.40), July 126.25 (129.00), Sept. 128.85, Dec. 2905, March 2942, May —, July —, Sept. —. Sales: 1,848.

Coffee—"C" Contract: May 165.75-199.25 (186.76), July 193.25-193.49 (193.23), Sept. 193.95-193.25, Dec. 192.40-192.50, March 164.50, May 165.50-186.00, July 185.00-188.00, Sept. 187.50-190.00. Sales: 3,950.

Copper—April 89.00 (93.60), May 90.00-90.20 (94.70), June 91.30, July 92.70-93.00, Sept. 95.20, Dec. 97.50, Jan. 98.40, March 99.20, May 101.10.

Cotton—No. 2: May 85.40-85.70 (84.97), July 83.50-83.70 (83.28), Oct. 79.30, Dec. 74.60-74.75, March 75.30-75.50, May 76.30-76.75, July 77.01-77.50, Oct. —. Sales: 7,050.

*Gold—April 506.0-507.0 (531.3), May 511.5 (535.3), June 519.0-519.3, Aug. July 102.40, Sept. 103.70, Dec. 105.60, Jan. 106.30. Sales: 4,800. 535.7, Oct. 552.3, Dec. 568.9, Feb. 585.2, April 601.6, June 617.9, Aug. 634.1, Oct. 650.3, Dec. 666.5, Feb. 682.7. Sales: 16,000.

Orange Juice—May 87.80 (87.10), July 88.90 (88.20), Sept. 90.10-90.15, Nov. 90.25-90.30, Jan. 90.60-90.90, March 91.30-91.70, May 92.35-92.60, July 93.20-93.80, Sept. 93.65-94.00. Sales: 400.

Potatoes (round whites)—May 48.8-49.0 (47.0), Nov. 74.5 (73.2). Sales: 282.

*Platinum—April 584.0-585.0 (612.0), May unquoted (624.0), June unquoted, July 620.3, Oct. 647.5, Jan. 674.3, April 701.5, May unquoted. Sales: 783.

¶Silver—April 1430.0-1460.0 (1540.0), May 1470.0 (1545.0), June 1495.0, July 1521.0, Sept. 1572.0, Dec. 1640.0, Jan. 1662.0, March 1708.0, May 1754.0, July 1800.0, Sept. 1846.0, Dec. 1911.0, Jan. 1932.0. Sales: 5,000. Handy and Harman bullion spot 1485.00 (1545.00).

Sugar—No. 11: May 21.85-22.00 (22.86), July 22.95-23.00 (23.74), Sept. 23.35, Oct. 23.55-23.65, Jan. 24.25-24.35, March 24.90-25.05, May 25.00-25.05, July 25.20, Sept. —. Sales: 13,700.

Tin—789.00-800.00 asked (798.00-802.00).

CHICAGO, April 14.

Lard—Chicago loose 19.00 (same). New York prime steam 20.50 (same).

Live Cattle—April 65.85-65.72 (65.15), June 65.75-65.60 (65.00), Aug. 64.75-64.97, Oct. 63.80-63.70, Dec. 64.95-64.65, Jan. 64.50-65.25, Feb. 65.50-65.80.

Live Hogs—April 29.45-29.60 (29.50), June 34.30-34.40 (34.95), July 35.40-35.55, Aug. 34.90-34.70, Oct. 35.60-35.50, Dec. 38.70-38.75, Feb. 42.40, April 40.80, June 43.70.

‡‡Maize—May 266-266¼ (270), July 279¾-279¾ (282¼), Sept. 289½-289¾, Dec. 297-298, March 309½, May 316½.

Pork Bellies—May 33.00-32.80 (34.80), July 34.30-34.00 (36.00), Aug. 33.55-33.45, Feb. 47.60-47.70, March 47.37, May 47.85, July —, Aug. —.

Closing prices for North America were not available for this edition.

Silver—April 1445.0-1460.0 (1540.0), May — (1590.0), June 1515.0, Aug. 1564.0, Oct. 1613.0, Dec. 1662.0, Feb. 1709.0, April 1756.0, June 1803.0, Aug. 1850.0, Oct. 1897.0, Dec. 1944.0, Feb. 1990.0, April 2036.0, June 2082.0, Aug. 2128.0, Oct. 2174.0.

†Soyabeans—May 591-590 (594¼), July 615-614 (620½), Aug. 624½, Sept. 633, Nov. 649-648½, Jan. 665½-665, March 683½, May 697½.

‖Soyabean Meal—May 163.2-163.0 (164.5), July 171.2-171.0 (172.8), Aug. 174.4, Sept. 176.6-177.3, Oct. 179.5, Dec. 183.3, Jan. 186.0-186.3, March 190.5-191.0, May 184.0-185.0, July 197.0-198.0.

Soyabean Oil — May 20.52-20.50 (20.68), July 21.22-21.25 (21.37), Aug. 21.50-21.55, Sept. 21.80, Oct. 22.10, Dec. 22.55-22.60, Jan. 22.75, March 23.05-23.10, May 23.45-23.50, July 23.90-24.00, March —.

†Wheat—May 393½-392 (408¼), July 401-400 (411), Sept. 412½-414, Dec. 432-432½, March 446, May 451½.

WINNIPEG, April 14. §Barley—May 113.50 (114.10), July 116.40 (116.10), Oct. 111.00, Dec. 110.70, March 111.30.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 207.83 (210.83).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, April 15.

Wheat—U.S. No. 2 Red Winter June $174, July $173, Aug. $178. U.S. No. 2 Northern Spring 14 per cent April $184, May $183.50, June $185.50, July $188, Aug. $190, Sept. $193, Oct. $197, Nov. $201, Dec. $208. Rest unquoted.

Maize—U.S. No. 3 Corn Yellow afloat $134.50, April $133.50, May $131.75, June $134.75, July-Sept. $140, Oct.-Dec. $146.75, Jan.-March $154.50. Barley—½ Canadian Feed, U.S. April $144.50, May $144.50.

Soyabeans—U.S. Two Yellow Gulfports afloat $253.50, May $250, June $254.50, July $257.25, Aug. $261.50, Sept. $265, Oct. $267.25, Nov. $267.25, Dec. $272.50, Jan. $277, Feb. $283.50, March $285.75. Argentine Aug. $260.40, mid-Sept./mid-Oct. $264.80.

Soyameal—44 per cent protein. U.S. afloat $220.50, April-May $216, June $216, July-April $224, Nov.-March $239. Brazil Pellets afloat $226, April $224, May $222, June-July $227, Aug. $230, Nov.-March $248.50.

PARIS, April 15.

Cocoa (FFr per 100 kilos). May 1265-1270, July 1315, Sept. 1294-1298, Dec. 1312-1317, March 1320, May 1330. Sales at call: 1.

Sugar (FFr per 100 kilos). May 2310-2320, July 2315-2340, Aug. 2435-2436, Oct. 2513-2515, Nov. 2509, Dec. 2600, March 2650-2700, May 2700-2750. Sales at call: 62.

INDICES

FINANCIAL TIMES

Apr. 14	Apr. 11	M'nth ago	Year ago
285.40	288.38	298.20	272.35

(Base: July 1, 1952=100)

MOODY'S

Apr. 14	Apr. 11	M'nth ago	Year ago
1138.0	1141.7	1180.7	1048.5

(December 31, 1931=100)

DOW JONES

Dow Jones	April 14	April 11	Month ago	Year ago
Spot	419.77	428.21	409.25	385.68
F'tur's	429.60	432.31	428.97	384.97

(Average 1924-25-26=100)

REUTERS

Apr. 15	Apr. 14	M'nth ago	Year ago
1717.7	1733.6	1720.5	1540.3

(Base: September 18, 1931=100)

LONDON STOCK EXCHANGE

Lull in recent demand for Gilts attracts profit-taking

Equities open easier but rally to close little changed

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Mar. 24	Apr. 10	Apr. 11	Apr. 21
Apr. 14	Apr. 24	Apr. 25	May 6
Apr. 28	May 8	May 9	May 19

* "New time" dealings may take place from 9 am two business days earlier.

A lull in the recent strong support of Government stocks signalled a slightly easier tendency at yesterday's opening and the downturn gathered momentum as short-term operators took some of the profits gained over the previous few days. Loose stock from holders less certain of a big response to tomorrow's £1,000m issue of long tap stock, Treasury 13¾ per cent 2004-08, also hastened the decline at a time when indigestion was being experienced following heavy purchases of Gilts.

Other factors generating caution among prospective buyers included publicity given to the high level of wage settlements since the summer, increased labour friction at BL and continuing international tension over Afghanistan and Iran. The slightly softer tone in sterling yesterday and a return to tight conditions in money markets may also have inhibited demand.

The progressive fall resulted in the longs losing more than a half of Monday's gains ranging to 1⅝, and the shorts surrendering nearly all of that day's improvements. However, a continuing demand for the special low-coupon tap, Exchequer 3 per cent 1984, enabled the authorities to furnish stock at 70¼ and then withdraw; the stock, which had remained dormant for some considerable time, was reactivated on Monday at 70.

Standard fall

Leading equities began easier with the accent firmly on **Glaxo** following the group's late announcement on Monday of poor interim profits; although overall interest was small yesterday, Glaxo slipped 8 for a two-day fall of 22 to 218p. Elsewhere, most good-quality stocks tended to rally from cheaper early levels and the FT 30-share index, after registering a loss of 2.5 at 10.00 am, picked up to close a mere 0.4 off at 437.8. Only the Oil sector commanded any real business, and here several secondary issues attracted a relatively brisk trade which faded towards the close.

Demand for Traded options fell away and only 358 contracts were completed against the previous day's 973.

Standard Chartered became a late casualty in a generally firm banking sector, falling 20 to 470p, on annual profits showing a disappointing 16 per cent increase. **Bank of Scotland** cheapened a couple of pence to 250p following uninspiring results. Merchant banks encountered selective support with **Hambros** again prominent at 362p, up another 7, while **Guinness Peat** revived with a rise of 6 at 106p. Still reflecting cheaper money hopes and the fact that stock is in short supply, Hire Purchases made further useful progress. **Lloyds and Scottish** added 3 to 141p as did **Provident Financial**, to 106p, while **Wagon Finance** edged forward a penny to 42p.

Bowring, at 153p, lost 2 of the previous day's rise of 16 which followed the agreed increased offer from Marsh and McLennan on profit-taking. Other Lloyds brokers moved higher on bid speculation and following a Press suggestion that the company could be the next to receive a bid approach, **Hogg Robinson** advanced 4 to 112p. Improvements of 5 and 8 respectively were seen in **Stewart Wrightson**, 210p, and **Willis Faber**, 245p.

Breweries traded quietly, but **Bass**, 223p, **Whitbread**, 143p, and **Distillers**, 203p, all closed a penny better.

Cement issues were well to the fore in Building descriptions. Better-than-expected annual results lifted **Ready Mixed Concrete** 2 to 168p and **Aberthaw Cement** 23 to 160p, the latter in a thin market, but the £12.8m rights issue accompanying the preliminary statement left **Rugby Portland Cement** a couple of pence cheaper at 68p. In Timbers, recent speculative counters **Montague L. Meyer** and **Mallinson-Denny** met fresh support, the former adding 5 to 110p and the latter 3 to 70p. **International Timber** also improved 3, to 106p. Elsewhere, **Burnett and Hallamshire** firmed 10 to 510p and **Wilson (Connolly)** 6 to 190p in restricted markets.

Bambers lower

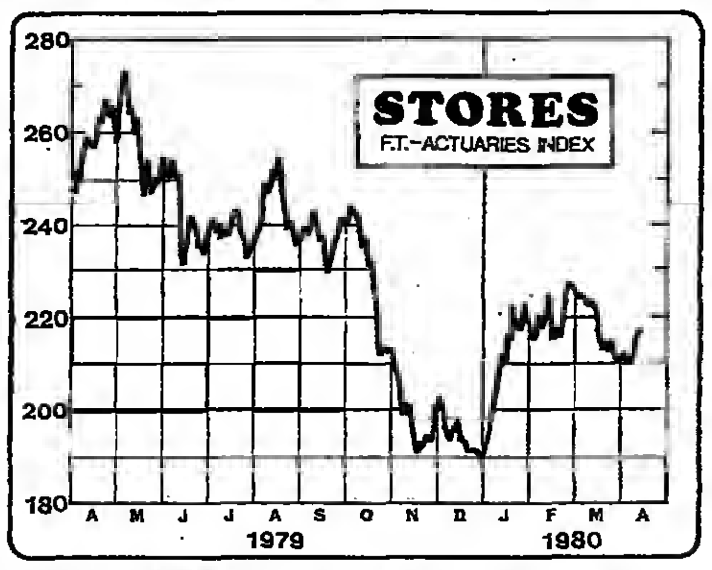
Unsettled by the chairman's cautious remarks at the annual general meeting, **ICI** shed 4 to 368p. Among other Chemicals, **Leigh Interests** added 4 for a two-day gain of 8 to 126p, while **Rentokil** firmed 3 to 121p and **Croda** put on 2 to 45½p. Despite lower annual profits, **Horace Cory** improved a fraction to 21p.

Leading Stores made modest headway in a subdued business. Dull of late following the disappointing interim statement, **Burton** rallied to close 4 better at 115p. **Marks and Spencer**, 92p, and **British Home**, 275p, added 2 and 3 respectively. Secondary issues displayed a mixed appearance. **Bambers** were prominent at 68p, down 10, following yesterday's placing of 4.2m shares with institutional clients at 67½p per share. Small selling prompted further weakness in **Moss Bros.** 8 lower at 232p, while the recent Boardroom upheaval continued to unsettle **Kitchen Queen**, 3 down at 18p. By way of contrast, **Grattan** attracted renewed speculative support ahead of results expected shortly and closed 4 up at 84p, while support left **Foster Brothers**, 86p, and **R. and J. Pullman**, 41p, both 2 dearer. **W. H. Smith** eased a couple of pence to 146p in front of today's preliminary results, while **Home Charm** fell a similar amount to 136p despite the sharply higher full-year profits and dividend.

In yesterday's issue, we quoted **Ladies Pride** at 38p, down 6. This was incorrect, the shares having gone ex-scrip issue to make the price 38p xc, up 1½.

MK featured Electricals with a rise of 13 to 168p on speculative buying in a thin market following news of the group's link-up with Westinghouse Electric. **Telephone Rentals** found support at 198p, up 7, while **Electrocomponents** closed similarly higher at 537p and **AB Electronics** 5 to the good at 64p. **Webber** rose 5 to 64p. **Automated Security** gained 6 to 243p on further consideration of the record profits. **Forward Technology** hardened a penny to 87p in response to the results and **Bowthorpe** also firmed a penny to 110p, after 112p, on trading news. **Standard Telephone and Cables** became active and lost 6 to 265p, after 260p, following comment on the results. News that the group has won its biggest export order with a £206m turbine generator contract from South Africa failed to enthuse **GEC** which improved only a penny to 377p, after 378p.

Confirmation that orders for two more nuclear stations using the advanced gas-cooled reactor are to go ahead brought firmness to the engineering concerns that will be involved in the construction work. **Whessoe**, which announced that it expects contracts worth over £80m for steel



fabrications, rose 4 to 76p, while **Northern Engineering**, likely to win contracts for 80 per cent of the boilerwork, improved 2½ to 42p, after 43p; the latter's preliminary results are due tomorrow. **Babcock**, also likely to benefit, hardened 2 to 97p. Elsewhere, **Senior** improved 2½ to 22p on better-than-expected results, while **IMI** hardened 1½ to 58½p following the chairman's optimistic statement. News of the impending closure of a loss-making subsidiary left **Barton and Sons** 2 to the good at 44p, while improvements of 4 and 5 respectively were recorded in **Spear and Jackson**, 102p, and **Ransome Sims and Jefferies**, 155p. The quietly firm leaders had **Hawker** unchanged at 184p, after 186p, in front of today's preliminary results.

In leading Foods, **Tate and Lyle** firmed 4 to 136p on a House of Lords select committee's report which recommends that margins for cane refiners should be increased to enable them to compete more effectively against sugar beet producers. **Rowntree Mackintosh** shed 4 to 150p on the uninspiring preliminary results and cautious statement. Elsewhere, **William Morrison** added 6 to 133p, but **Bishop's Stores A** shed that much to a 1980 low of 118p.

The company's plan to acquire U.S. consumer products concern Liggett stimulated a useful two-way business in **Grand Metropolitan**, but the price was finally 4 cheaper at 120p. Elsewhere in Hotels and Caterers, **Reo Stakis** were a penny firmer at 38½p xd; the shares should have been shown as 37½p xd in yesterday's issue.

Glaxo down again

Comment on the disappointing interim profits prompted a further reaction of 8 in **Glaxo** making a two-day decline of 22 at 218p. Other miscellaneous industrial leaders turned irregular after Monday's firmness. **Boots** improved a few pence to 195p and **Unilever** added 5 to 400p but **BOC** eased the turn to 63p and **Reed International** softened 2 to 188p. **Smiths Industries** gave up 2 to 208p following the lower profits and **Jardine Matheson** closed a similar amount off at 137p despite the higher earnings and proposed 3-for-20 scrip-issue. Further consideration of the disappointing results clipped 4 off **Huntleigh** at 76p, while **Esperanza Trade and Transport**, at 108p, lost 2 of the previous day's rise of 20. Still reflecting Press comment, **AGB Research** rose 5 to 170p. **Lilleshall** gained 4 to 50p on renewed demand ahead of next Tuesday's results. **Thomas French** firmed 5 to 108p and **Thomas Jourdan** appreciated 3½ to 54p. An unsettled market of late following a boardroom rift, **Camrex** lost 3 more to 30p.

Photax (London) responded to the good annual results with a gain of a couple of pence to a 1980 peak of 56p.

Oils below best

The recently firm Property sector took a breather with prices easing towards the close as profit-taking developed. In the leaders, **MEPC** gave up 4 to 203p, but **Land Securities** closed only 2 cheaper at 307p. Selected secondary issues held firm with **Imry** 20 to the good at 625p in a thin market and **Daejan** 3 up at 139p. **North British Properties** improved 5 afresh to 130p, while **Regalian** added 2 to 25p and **Marlborough** a penny to 39½p.

Secondary issues made the running in Oils, but final quotations were below the best. Renewed hopes of a bid from Deminex lifted **Lsmo** 10 to 493p, after 500p, and the **OPS** 20 to 955p, after 960p. **Cawoods**, 172p, and **Premier**, 73p, added 5 and 2 respectively in sympathy. **Tricentrol** were finally 4 up at 294p, but **Ultramar** reverted to the overnight level of 562p, after 566p. **Siebens UK** met late offerings and shed 10 to 610p. In the leaders, **BP** remained subdued by the recent profits warning and eased 2 to 338p, while **Shell** finished unchanged at 346p, after 350p.

Trusts remained firm. **Rothschild** added 3 more to 309p, while **City and International**, awaiting Guthrie's shareholders' approval of the proposed takeover, rose a like amount to 123p. Consideration of North Sea oil interests left **Viking Resources** 6 to the good at 174p. In Financials, **Lamont** jumped 5 to 28p following the substantially increased annual profits and dividend, while support was also seen for **Hambro Trust**, 4 up at 60p, and for **Fashion and General**, 10 better at 190p.

The announcement that Palma Textiles now holds a near-30 per cent stake in **Montfort (Knitting Mills)** but has no intention of making a bid for the remaining equity clipped 4 from the latter which closed at 85p.

Setback in Golds

South African Golds lost ground for the fourth successive trading day in the wake of the $27 decline in the bullion price to $497.50 an ounce.

Persistent selling of both bullion and gold shares in overnight American markets led jobbers to mark down prices at the outset. Thereafter, the market continued to ease on lack of interest ahead of the quarterly profits from mines in the **AngloVaal**, **Johnnies** and **Rand Mines** groups. The Gold Mines index dropped 15.8 more to 290.7 — a loss of 31.4 over the past four trading days.

Heavyweights registered falls of £7¼ as in **West Driefontein**, £29, while declines of £1½ were common to **Vaal Reefs**, £22½, and **Hartebeest**, £28⅝; the last-named reported a 39 per cent rise in net profits for the past quarter.

Amongst the medium- and lower-priced issues, **Doornfontein** gave up 61 to 550p and **Loraine** 26 to 300p, the latter ahead of the 149 per cent rise in its quarterly net profits.

London financials fell on lack of interest. **Rio Tinto-Zinc** closed 7 cheaper at 363p in front of the 1979 results which are expected today. **Gold Fields**, 470p, and **Selection Trust**, 610p, were both 10 off, while **Charter** eased 3 to 150p and **Tanks** 2 to 250p. Platinums were marked down with **Rustenburg** 10 lower at 208p.

Australians lacked a decided trend. Leading base-metal producers tended to edge higher but the more speculative issues gave ground. Among the latter, **Leichardt Exploration** dipped 10 to 215p and **Otter** and **Samantha** 2 apiece to 60p and 70p respectively.

Elsewhere, **Hemerdon Mining and Smelting** made a belated debut in London under Rule 163 (2); the shares opened at 135p and closed at 160p following modest interest in a limited market.

FINANCIAL TIMES STOCK INDICES

—	Apr. 16	Apr. 14	Apr. 11	Apr. 10	Apr. 9	Apr. 8	A year ago
Government Secs.	66.51	66.95	66.16	65.89	65.48	64.97	75.66
Fixed Interest	66.84	66.76	66.39	66.10	65.76	65.45	77.34
Industrial	437.8	438.2	435.6	431.8	431.5	426.7	538.9
Gold Mines	29.70	306.5	307.7	311.1	322.1	312.9	199.9
Ord. Div. Yield	8.03	8.01	8.03	8.07	8.06	8.16	6.38
Earnings, Yld. % (full)	19.69	19.70	19.75	19.80	19.71	19.94	14.58
P/E Ratio (net) (*)	6.22	6.21	6.20	6.20	6.23	6.16	8.95
Total bargains	18,179	19,676	18,076	17,845	18,509	17,325	—
Equity turnover £m	—	83.86	92.88	100.05	70.43	72.76	63.16
Equity bargains total	—	11,398	13,078	19,691	11,362	12,841	13,090

10 am 435.7. 11 am 438.4. Noon 437.0. 1 pm 437.3.
2 pm 437.3. 3 pm 437.6.
Latest Index 01-246 8026.
*Nil=6.93.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	69.86 (21/1)	63.85 (7/3)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	69.61 (21/1)	64.70 (10/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	478.8 (13/2)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	377.9 (28/2)	265.6 (18/3)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Apr. 16	Apr. 14
—Daily		
Gilt Edged	146.4	116.9
Industrials	87.5	109.4
Speculative	20.0	33.1
Totals	74.8	78.4
5-day Avge.		
Gilt Edged	124.0	119.8
Industrials	103.1	107.4
Speculative	31.5	33.2
Totals	76.8	77.9

NEW HIGHS AND LOWS FOR 1980

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (51)

BRITISH FUNDS (3)
Treas. 3½pc '77-80
Exch. 3pc 1984
Fund'g 5¼pc '78-81

BANKS (6)
Arbuthnot Latham
Hambros
Union Discount
Lloyds & Scottish
Provident Financial
Wagon Finance

BUILDINGS (3)
Aberthaw Cement
French Kier
Lovell (Y. J.)

CHEMICALS (1)
Ciba Geigy 7¼pc Ln.

ELECTRICALS (2)
Electrocomponents
Webber Elect.

ENGINEERING (1)
Senior Eng.

INDUSTRIALS (9)
Astbury & Madeley
Bowater
Dundonian
[illegible]
Fothergill & Harvey
French (Thos.)
Hoover 'A'
Lilleshall
Provncl. Laundries 12pc Conv.

INSURANCE (5)
Eagle Star
Equity & Law
Hogg, Robinson
Pearl
Stewart Wrightson

LEISURE (1)
Photax (Lon.)

PROPERTY (14)
Beaumont Props.
Centrovincial
Chesterfield
Fairview Ests.
Imry Property
Land Investors
Land Secs.
Ldn. & Prov. Shop
Marlborough
Prop. Sec. Inv.
Slough Ests. 10pc Conv. 1990
Do. 8pc Cnv. '91-94
Stock Conversion
Trafford Park

TEXTILES (1)
Miller (F.)

TRUSTS (3)
Altifund Inc.
Hambro Trust
Lamont Holdings

OIL AND GAS (2)
Edinburgh Secs.
Ultramar

NEW LOWS (27)

BEERS (1)
Tomatin

CHEMICALS (2)
Burrell
Ciba Geigy 8pc Conv. '81-94

STORES (4)
Bambers Stores
Home Charm
Moss Bros.
Wilkinson Warburton

ELECTRICALS (1)
Brocks

ENGINEERING (3)
Brockhouse
W. Bromwich Spring
Yarrow

FOODS (2)
Bishops Stores
Do. 'A' N/vtg.

INDUSTRIALS (5)
Camrex
Glaxo
Lawtex
Rock Darham
Utd. Guarantee

MOTORS (1)
General Motors Units

NEWSPAPERS (2)
Home Counties
Routledge & K.P.

PAPERS (1)
East Lancs. Paper

PROPERTY (1)
Raglan Property

TEXTILES (1)
Tern-Consulate

TRUSTS (1)
Western Selection

MINES (2)
Pancontinental
West Coast

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	4	75	8
Corpns. Dom. and Foreign Bonds	6	14	48
Industrials	264	171	960
Financial & Prop.	196	44	261
Oils	18	10	18
Plantations	1	7	19
Mines	16	81	57
Others	31	59	42
Totals	536	461	1,413

LONDON TRADED OPTIONS

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	325	18	1	—	—	—	—	336p
BP	360	3	25	—	—	—	—	"
BP	360	—	—	19	11	30	—	"
BP	375	1	3	—	—	—	—	"
BP	390	—	—	19	—	20	1	"
BP	400	1	5	—	—	—	—	"
BP	420	—	—	5	10	13	—	"
Cons. Gold	500	1	35	28	—	48	6	471p
Cons. Gold	550	1	—	11	6	26	1	"
GEC	360	19	2	44	9	69	2	378p
GEC	390	3	—	26	20	41	1	"
Grand Met.	120	3	—	19	10	16	—	121p
Grand Met.	130	½	—	6½	15	11	1	"
Grand Met.	140	¼	—	3½	—	5½	1	"
ICI	360	12	10	35	—	44	—	369p
ICI	390	¼	1	16	—	26	—	"
Land Secs.	940	69	3	—	—	—	—	308p
Land Secs.	280	29	5	38	—	60	—	"
Land Secs.	300	9	46	85	5	36	—	"
Marks & Sp.	90	3	—	8	10	11½	—	91p
Shell	360	8½	3	26	16	36	3	347p
Totals			139		103		18	
		May		August		November		
Boots	200	7	5	14	—	20	—	194p
Imperial Gp.	60	2	22	5½	—	7	—	78p
Racal Elec.	180	69	1	66	—	—	—	240p
Racal Elec.	200	42	30	49	—	67	—	"
Racal Elec.	980	92	20	33	—	44	8	"
Racal Elec.	240	8	—	80	—	32	—	"
RTZ	360	18	15	39	—	59	—	364p
RTZ	390	7	6	97	—	36	—	"
Totals			98		—		2	

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Tues., April 15, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Mon., April 14 Index No.	Fri., April 11 Index No.	Thurs., April 10 Index No.	Wed., April 9 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (173)	236.35	+0.2	18.82	6.75	6.68	235.94	234.22	232.52	231.22	274.60
2	Building Materials (28)	231.25	+0.1	17.50	6.81	7.20	231.04	228.08	227.31	224.26	258.49
3	Contracting, Construction (28)	349.19	—	27.54	7.05	4.41	349.30	346.10	346.65	348.28	420.35
4	Electricals (16)	623.36	—	13.34	4.05	9.77	623.24	613.75	604.84	602.70	666.81
5	Engineering Contractors (11)	281.66	+1.6	26.84	9.12	4.76	277.24	272.35	271.36	273.05	403.64
6	Mechanical Engineering (74)	158.52	+0.2	21.70	8.36	5.82	158.17	157.98	157.24	156.12	203.71
8	Metals and Metal Forming (16)	160.71	+0.4	21.94	10.13	5.47	160.05	162.73	161.64	160.77	181.15
11	CONSUMER GOODS (DURABLE) (49)	215.44	+0.4	15.66	5.91	7.87	214.49	210.10	208.60	206.55	250.31
12	Lt. Electronics, Radio, TV (14)	310.31	+0.7	11.78	4.26	10.85	308.01	298.99	295.98	291.79	340.74
13	Household Goods (14)	107.46	−0.4	27.50	10.26	4.29	107.88	107.90	107.64	107.09	177.08
14	Motors and Distributors (21)	102.89	−0.2	24.13	9.68	4.92	103.13	103.14	103.12	103.21	128.32
21	CONSUMER GOODS (NON-DURABLE) (173)	215.06	+0.3	18.91	7.21	6.50	214.49	211.61	211.04	210.94	256.75
22	Breweries (14)	265.37	+0.5	16.66	6.62	7.05	264.01	258.19	258.66	259.21	293.74
23	Wines and Spirits (5)	297.05	+0.4	18.34	6.29	6.72	295.87	293.20	292.02	291.03	331.78
24	Entertainment, Catering (17)	288.86	−2.1	19.62	7.51	6.34	295.08	291.61	290.58	288.36	359.87
25	Food Manufacturers (21)	187.47	+0.4	20.88	7.82	5.87	186.81	185.68	184.73	184.08	224.61
26	Food Retailing (13)	295.41	−0.1	13.35	4.77	9.01	295.84	290.86	291.90	290.40	301.96
32	Newspapers, Publishing (13)	414.13	+0.4	24.52	7.27	5.56	412.28	412.43	406.52	403.50	465.67
33	Packaging and Paper (15)	129.66	—	24.55	9.01	5.02	129.65	127.06	126.70	126.75	149.38
34	Stores (43)	217.45	+0.9	14.05	5.38	9.26	215.55	211.64	210.71	211.27	259.07
35	Textiles (24)	121.80	+0.7	29.62	12.65	4.21	121.00	119.36	119.32	118.45	179.58
36	Tobaccos (3)	201.61	—	28.88	11.48	3.93	201.58	201.58	201.58	203.08	273.13
37	Toys and Games (5)	32.66	+1.1	46.04	15.53	2.67	32.31	32.86	32.51	31.80	96.83
41	OTHER GROUPS (97)	198.25	—	17.73	7.38	6.74	198.35	197.42	196.56	196.01	223.36
42	Chemicals (16)	295.43	−0.7	20.97	8.13	5.46	297.55	297.47	295.58	294.49	312.15
43	Pharmaceutical Products (7)	190.18	−0.8	13.52	6.88	8.97	191.74	195.30	196.22	195.98	261.96
44	Office Equipment (6)	109.82	—	19.32	7.46	5.97	109.86	109.52	108.46	109.08	148.18
45	Shipping (11)	456.32	−0.2	12.14	6.62	10.20	457.36	452.96	451.58	451.30	442.27
46	Miscellaneous (57)	238.39	+1.0	17.32	7.04	7.24	236.11	231.71	230.41	229.30	256.35
49	INDUSTRIAL GROUP (492)	223.22	+0.2	18.37	7.04	6.69	222.82	220.54	219.52	218.86	260.45
51	Oils (8)	718.60	−0.2	31.00	7.10	3.45	720.39	730.55	728.84	756.77	668.26
59	500 SHARE INDEX	262.48	+0.1	20.97	7.05	5.60	262.24	260.87	259.80	261.27	293.76
61	FINANCIAL GROUP (118)	195.70	+0.1	—	6.23	—	195.42	191.25	188.83	187.83	206.67
62	Banks (6)	212.08	—	45.86	7.22	2.66	212.04	206.62	204.70	203.97	244.98
63	Discount Houses (10)	222.44	+1.0	—	8.97	—	220.14	215.14	214.99	212.70	268.97
64	Hire Purchase (5)	203.71	+1.8	16.12	4.87	8.05	200.05	190.68	190.59	190.83	192.26
65	Insurance (Life) (10)	176.17	+1.0	—	7.17	—	174.36	170.66	169.39	168.30	172.58
66	Insurance (Composite) (9)	125.30	+0.5	—	8.33	—	124.72	122.79	121.51	120.94	147.27
67	Insurance Brokers (10)	304.15	+0.9	16.21	6.73	8.69	301.55	287.88	288.36	285.89	325.26
68	Merchant Banks (14)	101.37	+1.4	—	6.15	—	99.93	99.45	99.20	98.82	97.57
69	Property (45)	378.00	−0.3	3.45	2.96	41.64	379.14	371.83	360.93	358.25	348.18
70	Miscellaneous (9)	124.86	−2.9	16.70	7.33	7.93	128.63	127.93	128.25	128.09	125.14
71	Investment Trusts (109)	210.38	+0.8	—	6.22	—	208.81	205.75	205.03	203.55	236.80
81	Mining Finance (4)	184.71	−1.9	12.61	4.84	9.62	188.36	184.38	185.74	188.91	131.48
91	Overseas Traders (19)	387.84	−1.7	13.08	6.96	9.36	394.55	395.66	389.39	391.48	368.33
99	ALL-SHARE INDEX (750)	246.47	—	—	6.79	—	246.38	244.20	242.85	243.67	269.37

FIXED INTEREST PRICE INDICES

	British Government	Tues., April 15	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	101.89	−0.24	0.44	2.99
2	5-15 years	106.54	−0.78	0.33	3.31
3	Over 15 years	109.86	−0.79	0.29	4.51
4	Irredeemables	126.00	−0.37	—	1.78
5	All stocks	105.76	−0.59	0.35	3.57

	FIXED INTEREST YIELDS British Govt. Av. Gross Red.		Tues., April 15	Mon., April 14	Year ago (approx.)
1	Low Coupons	5 years	12.70	12.59	9.08
2		15 years	12.46	12.36	10.02
3		25 years	12.46	12.36	10.62
4	Medium Coupons	5 years	14.49	14.38	10.68
5		15 years	14.04	13.89	11.31
6		25 years	13.88	13.79	11.48
7	High Coupons	5 years	14.59	14.48	11.17
8		15 years	14.39	14.25	11.80
9		25 years	14.29	14.11	11.74
10	Irredeemables		11.85	11.80	10.45

		Tues., April 16 Index No.	Yield %	Mon. April 14	Fri. April 11	Thurs. April 10	Wed. April 9	Tues. April 8	Thurs. April 3	Wed. April 2	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	49.32	†14.27	49.68	49.49	49.41	49.31	49.26	49.26	49.26	60.36
16	Investment Trust Prefs. (15)	47.69	14.12	47.69	47.06	46.88	46.88	46.82	46.88	46.96	52.56
17	Coml. and Indl. Prefs. (20)	61.45	14.68	61.42	61.01	61.01	61.05	61.05	61.08	61.26	74.78

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 25p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
Glaxo	50p	9	218	− 8	260	216
LASMO	25p	7	493	+10	528	337
Standard Tel. & Cables	25p	7	265	− 6	272	230
Bowater	£1	6	183	+ 1	185	141
Bowring (C. T.)	25p	6	153	− 2	166	122
Brent Chem. 'New'	Nil/pd.	6	92pm	—	94pm	90pm
BP	25p	6	338	− 2	412	328
Burmah Oil	£1	6	215	+ 1	249	162
Burton Grp.	50p	6	115	+ 4	128	104
Marks & Spencer	25p	6	92	+ 2	96	77
Prudential Corp.	25p	6	183	+ 3	189	162
Shell Transport	25p	6	346	—	410	314
Ultramar	25p	6	562	—	566	412
Assoc. Dairies	25p	5	182	− 2	192	160
Coral Leisure	10p	5	70	+ 2	80	60

OPTIONS

DEALING DATES

First Dealing	Last Dealing	Last Declaration	For Settlement
Mar. 31	Apr. 19	July 10	July 21
Apr. 21	May 2	Aug. 7	Aug. 18
May 6	May 17	Aug. 28	Sept. 8

For rate indications see end of Share Information Service.

Call options were dealt in Premier Oil, KCA, Northern Engineering, Coral Leisure, Antony Gibbs, Campari, FNFC, Grand Met., Bank and Commercial, Courtaulds, Guthrie, Lonrho, W. L. Pawson, Montague L. Meyer, Town and City, Burmah, Wolf Electric Tools, B & Q (Retail) and Clive Discount. Puts were done in NatWest and Commercial Union, while doubles were completed in Town and City, Burmah, Lonrho and Courtaulds.

RECENT ISSUES

EQUITIES

Issue Price p‡	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p	+ or —	Div. or Amount	Times Covered	Gross Yield	P.E. Ratio
50	50p	—	140	83	Berkley Exploration	119	−1	—	—	—	—
••	F.P.	—	160	135	Hamerdon Mining 10c	160	......	—	—	—	—
••	F.P.	7/3	89	70	Lon.Merc'tSecs.Dfd	83	+5	—	—	—	—
§90	F.P.	—	101	94	Morley (R.H.) 10p	100	......	b4.75	1.3	6.8	16.0
—	F.P.	—	34	27	Roche Plant 10p	27	−1	1.95	2.7	6.6	6.5
§10	F.P.	6/5	10¾	10	Trst.of Prop.Shrs.5p	10	......	—	—	—	—
••	F.P.	—	32	20	Ward Hldgs. Dfd.	28	......	—	—	—	—

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price £	+ or —
100p	F.P.	—	101	98	Edwards (L.C.) 8% Conv. Red. Cum. Pref	100	......
—	—	2/9	112	104	Globe Inv Tst 11½% Conv Uns Ln '90-95	106	+1
[illegible]	F.P.	30/5	98¼	96½	Imp. Cont. Gas 8% Conv. Loan. 1995-2000	96½	......
[illegible]	F.P.	9/5	102¼	100¼	Leigh Interests 10pc Conv. Uns Ln. 1984-86	100	......
[illegible]	F.P.	89/6	96½	93½	Mid Kent Water 9% Red Pref. 1985	93½	......
10¼	£10	—	10½	10¼	Mid Southern 10% Red Prf. 1985	10¼	−½
[illegible]	F.P.	24/4	97	94½	Rk'm'nw'h & Uxbridge Wtr. 9% RdPf 1985	94½	......
[illegible]	F.P.	30/5	99½	22½	Sutton District Water 10pc Red Pref. 1985	99½	......

"RIGHTS" OFFERS

Issue Price p‡	Amount Paid Up	Latest Renunc. Date ●	Latest Renunc. Date ■	1980 High	1980 Low	Stock	Closing price p	+ or —
135	F.P.	91/3	2/5	167	159	AGA Research	172	+5
223	Nil	—	—	80pm	60pm	Aran Energy	70pm	−7
30	Nil	—	—	94pm	90pm	Brent Chemicals	99pm	+2
R16	Nil	—	—	100pm	73pm	General Mining	80pm	−20
60	F.P.	3/1	24/1	346	650	Hammerson Prop. A	335	......
48	Nil	25/4	23/5	17pm	10pm	Howard Tenens	13pm	......
60cts	Nil	—	—	455pm	180pm	Pancontinental	245pm	−15
68	F.P.	—	13/3	73	68	United Biscuits	71	−2
110	Nil	23/4	13/6	12pm	13pm	Wetmoughs	13pm	......

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. p‡ Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 participating pref. shares and 1 ord. share at R3.50 per unit. † Dealings under special rule.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Lloyds Bk. (C.I.) U/T Mgrs.
P.O. Box 195, St. Helier, Jersey. 0534 27561
Lloyds Tst. O'seas ... 52.9 56.2xd 2.29
Next dealing April 17.
Lloyds Trust Gilt ... £9.06 9.07 ...... 13.50
Next dealing April 16

Lloyds Bank International, Geneva
P.O. Box 438, 1211 Geneve 11 (Switzerland)
Lloyds Int. Growth ... SF407.0 435.50 −9.00 0.8
Lloyds Int. Income ... SF267.50 278.0 −1.00 6.50

M & G Group
Three Quays, Tower Hill EC3R 6BQ. 01-626 4588
Atlantic April 15 ... US$5.13 5.29 +0.13 —
Australian Ex. Apr. 9 ... US$5.43 5.72 ...... —
Gold Ex.Acc. ... US$43.68 47.48 ...... 5.16
Island ... 135.9 144.6xd +0.4 3.93
(Accum Units) ... 204.9 218.0 +0.5 3.93

Midland Bank Tst. Corp. (Jersey) Ltd.
28-34, Hill St., St. Helier, Jersey. 0534 36281
Midland Drayton Gilt ... 92.3 92.9xd 12.92

Samuel Montagu Ldn. Agents
114, Old Broad St., EC2. 01-588 6464
Apollo Fd. Apr. 9 ... SF50.12 54.80 ...... 3.24
Japfest. March 31 ... HK$14.65 15.66 ...... 1.27
117 Group March 31 ... US$11.59 12.48 ...... 2.85
117 Jersey Apr. 2 ... £5.39 5.87 ...... 2.14
117 J'sey O's Mar. 26 ... £5.85 6.16 +0.06 3.10

Murray, Johnstone (Inv. Adviser)
163, Hope St., Glasgow, C2. 041-221 5521
Hope St. Fd. Mar. 31 ... US$29.58 ...... —
Murray Fund Mar. 31 ... US$13.40 ...... —
Pacific Fund March 31 ... US$2.81 ...... —

Nat. Westminster Jersey Fd. Mgrs. Ltd.
45 La Motte St., St. Helier, Jersey 0534 36241
High Income Fund ... 43.7 45.0xd −1.0 13.33
Equity Fund ... 47.1 49.0xd 4.15

Negit S.A.
10a Boulevard Royal, Luxembourg
NAV April 11 ... US$11.51 — ...... —

Negit Ltd.
Bank of Bermuda Bldgs., Hamilton, Brmda.
NAV Feb. 29 ... £3.25 ...... —

Pacific Basin Fund
10a Boulevard Royal, Luxembourg.
NAV March 28 ... US$13.00 −0.08 —

Phoenix International
PO Box 77, St. Peter Port, Guern. 0481 26741
Inter-Dollar Fund ... US$2.49 2.69 ...... —
Far East Fund ... US$1.64 1.77 ...... —
Intl. Currency Fund ... US$1.53 1.66 ...... —
Dollar Fxd. Int. Fund ... US$1.83 1.98 ...... —
Ster. Exempt Gilt Fd. ... £1.31 1.42 ...... —

Providence Capitol Life Ass. (C.I.)
PO Box 121, St Peter Port, Guernsey 0481 26726/9
Sterling Bond Fd. ... 45.6 47.8 ...... —
Sterling Equity Fd. ... 54.8 57.5 ...... —
Intnl. Bond Fd. ... US$96.2 101.2 ...... —
Intnl. Equity Fd. ... US$97.3 102.3 ...... —
Prices at April 2. Next dealing April 9.

Quest Fund Mngmnt. (Jersey) Ltd.
PO Box 194, St. Helier, Jersey. 0534 27441
Quest Stlg. Fxd. Int. ... £0.792 0.839 ...... 14.90
Quest Intl. Secs. ... $0.868 0.934 ...... 4.60
Quest Intl. Bd. ... $0.800 0.847 ...... 11.22
Prices on April 9. Next dealing April 16.

Richmond Life Ass. Ltd.
48, Athol Street, Douglas, I.O.M. 0624 23914
(x)The Silver Trust ... 276.9 283.5 ...... —
Do. Diamond Bd. ... 168.5 177.5 ...... —
Do. Em Income Bd. ... 117.7 125.8 ...... 14.27
Midway Deposit Bd. ... 110.61 111.76 ...... 17.32
Carrilion C.C.T. Bd. ... 66.1 69.7 ...... —

Rothschild Asset Management (C.I.)
P.O. Box 58, St. Julians Ct., Guernsey. 0481 26331
O.C. America Fd.† ... US$1.58 1.67 ...... 1.05
OCSm. Co.*** ... 92.1 97.9xd +2.2 3.31
O.C. Commodity* ... 187.9 199.8 ...... 5.59
O.C. Dir. Comdty.† ... US$40.39 42.81 ...... 0.75
O.C. Hong Kg. Fd.† ... HK$23.71 25.24 ...... —
O.C. Sterling Fd.** ... £11.627 ...... +0.005 —
*Prices on March 31. Next dealing April 30.
†Prices on April 8. Next dealing April 21.
**Daily dealings. ***April 30.

Rothschild Asset Mgt. (Bermuda)
P.O. Box 664, Bk. of Bermuda Bld., Bermuda
Reserve Assets Fd. ... US$9.51 9.72 ...... —
Prices on March 24. Next dealing April 12.

Royal Trust (C.I.) Fd. Mgt. Ltd.
P.O. Box 194, Royal Tst. Hse., Jersey. 0534 27441
R.T. Int'l. Fd. ... US$9.74 10.37 +0.58 2.48
R.T. Int'l. (Jsy.) Fd. ... 75.0 80.0 −2.0 3.87
Prices April 15. Next dealing April 22.

Save & Prosper International
Dealing to
P.O. Box 73, St. Helier, Jersey 0534 73933
Fixed Interest Funds
Deutschmark Bd.**‡ ... DM9.12 9.63xd 5.19
Dllr. Fxd. Int.**‡ ... US$7.83 8.30 ...... 8.67
St. Fixed****‡ ... 103.6 109.6 ...... 12.78
Yen Bond ... Y922 972xd 5.14
Equity Funds
Channel Capital★ ... 69.7 73.5 +0.5 4.06
Internatl. Gr.**‡ ... US$9.08 9.77 +2.4 —
Far Eastern**‡ ... US$9.47 10.24 +0.20 —
North American**‡ ... US$4.84 5.24 +0.07 —
Sepro**‡ ... US$14.95 16.34 ...... —
Trust Channel Isl.★ ... 70.5 74.3 +0.7 6.24
Commodity Funds
Commodity****‡ ... 163.9 172.8 ...... —
Deposit Funds
St. Deposit****★ ... 118.7 118.8 ...... 0.21
*Prices on April 14. **April 9. ***April 8. ****April 10. ‡Weekly dealings. ★Daily dealings.

Schlesinger International Mngt. Ltd.
41, La Motte St., St. Helier, Jersey. 0534 73588
S.A.I.L. ... 53.0 56.0 ...... 12.95
S.A.O.L. ... US$0.78 0.82 ...... 9.15
S.A.S.C.O.—S ... 99.0 104.0 −2.0 —
Gilt Fd. ... 20.0 20.2 −0.1 13.61
Intl. Fd. Jersey ... 92.0 97.0 −1.0 3.61
Intnl. Fd. Lxmbrg. ... 13.05 13.74 +0.02 —
*Far East Fund ... 93.0 98.0 +2.0 —
*Next sub. day April 16.

Schroder Life Group
Enterprise House, Portsmouth. 0705 27733
International Funds
£Equity ... 85.9 91.3 ...... —
$Equity ... US$1.762 1.874 ...... —
£Fixed Interest ... 149.4 158.9 ...... —
$Fixed Interest ... US$1.129 1.201 ...... —
£Managed ... 116.8 124.2 ...... —
$Managed ... US$1.446 1.535 ...... —

J. Henry Schroder Wagg & Co. Ltd.
120, Cheapside, EC2. 01-588 4000
Amer.Inv.Tst. Apr. 10 ... US$25.14 ...... 2.31
Asian Fd. April 1 ... US$21.42 22.01 ...... 2.75
Ch'pside $ April 14 ... US$15.15 −0.09 2.64
Darling Fd. Mar. 15 ... A$2.83 3.01 −0.06 4.20
Japan Fd. April 3 ... US$5.95 6.37 ...... 0.78
Trafalgar Fd. Mar. 31 ... US$183.42 ...... —

Sentry Assurance International Ltd.
P.O. Box 1776, Hamilton 5, Bermuda.
Managed Fund ... US$4.023 4.9415 ...... —

Singer & Friedlander Ldn. Agents.
20, Cannon St., EC4. 01-248 9646
Dekafonds ... DM21.19 22.30 −0.15 7.17
Tokyo Trust April 1 ... US$27.50 — 3.27

Standard Chartered Intl. Bd. Fd.
37 rue Notre-Dame, Luxembourg.
NAV April 14 ... US$9.67 +0.19 —

Stronghold Management Limited
P.O. Box 315, St. Helier, Jersey. 0534-71460
Commodity Trust ... 133.17 140.18 ...... —

Surinvest (Jersey) Ltd. (x)
Queens Hse., Don Rd., St. Helier, Jsy. 0534 27349
American Ind. Tst. ... £4.65 4.76 ...... —
Copper Trust ... 15.29 15.66 ...... —
Jap. Index Tst. ... £5.83 6.00 ...... —

Surinvest Trust Managers Ltd.
48, Athol Street, Douglas, Isle of Man. 0624 23914
The Coin Trust ... 103.7 109.1 ...... —

TSB Unit Trust Managers (C.I.) Ltd.
10, Wharf St., St. Helier, Jersey (CI). 0534 73494
TSB Jersey Fund ... 48.8 51.4 ...... 5.59
TSB Guernsey Fund ... 48.8 51.4 ...... 5.59
Prices on April 9. Next sub. day April 16.

TSB Gilt Fund Managers (C.I.) Ltd.
10 Wharf St., St. Helier, Jersey (CI). 0534 73494
TSB Gilt Fund ... 90.0 93.0xd +2.0 15.05
TSB Gilt Fd. (Jsy.) ... 90.0 93.0xd +2.0 15.05
Prices on April 16. Next sub. day April 23.

Tokyo Pacific Holdings N.V.
Intimis Management Co. N.V., Curacao.
NAV per share March 31 US$71.90.

Tokyo Pacific Hldgs. (Seaboard) N.V.
Intimis Management Co. N.V., Curacao.
NAV per share March 31. US$52.38.

Tyndall Group
P.O. Box 1256 Hamilton 5, Bermuda. 2-2760
Overseas April 9 ... US$1.16 1.22 ...... 6.00
(Accum. Units) ... US$1.99 2.10 ...... —
2 New St., St. Helier, Jersey. 0534 37331/3
TOFSL April 10 ... £7.70 [illegible] 2.76
(Accum. Shares) ... £13.15 [illegible] ...... —
American April 10 ... 96.8 [illegible] 2.91
(Accum. shares) ... 101.2 [illegible] ...... —
Far Eastern April 10 ... 89.4 [illegible] 2.09
(Accum. shares) ... 92.2 [illegible] ...... —
European April 10 ... 65.6 [illegible] 3.18
Jersey Fund April 10 ... 146.8 [illegible] 9.27
(Non-J. Acc. Uts.) ... 235.6 [illegible] ...... —
Gilt Fund April 9 ... 95.0 [illegible] 12.44
(Accum. Shares) ... 150.4 [illegible] ...... —
Victory House, Douglas, Isle of [illegible] 0624 24111
High Inc. Gilt April 9 ... 103.8 [illegible] 13.91
(Accum Shares) ... 103.8 [illegible] ...... —

Unilife Assurance (Overseas) Ltd.
P.O. Box 1388, Hamilton 5-31, Bermuda
Internl. Mngd. Fd. ... US$1.05 — ...... —

Union-Investment-Gesellschaft mbH
Postfach 16767, D 6000 Frankfurt 16.
Unifonds ... DM15.29 16.10 −0.10 —
Unirak ... DM47.48 49.85 +0.20 —
Unirenta ... DM34.38 35.40 +0.20 —

Utd. Intnl. Mngmnt. (C.I.) Ltd.
14, Mulcaster Street, St. Helier, Jersey
U.I.B. Fund ... US$92.87 95.28 ...... 8.66

van Cutsem & Associates Ltd.
42, Essex Street, London, WC2 01-353 6845
PanAmer. O's. Fd. ... US$74.11 ...... —

S. G. Warburg & Co. Ltd.
30, Gresham Street, EC2. 01-600 4555
Conv. Bd. April 14 ... US$8.68 +0.08 —
Energy Int. April 14 ... US$31.70 −0.22 —
Grt. St. $Fd. Mar. 31 ... US$7.31 ...... —
Merc. Eurobd. Apr. 9 ... US$10.32 10.43 +0.09 0.4251
Merc. My. Mkt. Apr. 14 ... £12.03 12.05 ...... —

Warburg Invest. Mngt. Jrsy. Ltd.
7 Library Place, St. Helier, Jsy. CI 0534 37217
CMF Ltd. Mar. 28 ... US$12.99 13.93 ...... 2.55
CMT Ltd. Mar. 28 ... £12.26 13.10 ...... 2.73
Metal Tst. Apr. 8 ... £12.26 12.56 ...... 98.30
SMT Ltd. Apr. 3 ... £10.16 10.42 ...... —
TMT Mar. 13 ... US$12.51 12.83 ...... 2.49
TMT Ltd. April 10 ... £11.39 11.69 −0.18 5.38

Wardley Investment Services Ltd.
4th Floor, Hutchison House, Hong Kong
Wardley Trust ... HK$18.74 19.70 +0.40 —
Wardley Nikko As. Fd. ... US$24.04 24.64 ...... —
Wardley Bond Trust ... US$8.80 9.00 ...... —
Wardley Japan Trust ... US$9.99 10.29 +0.37 —

World Wide Growth Management
10a, Boulevard Royal, Luxembourg
Worldwide Gth. Fd. ... US$21.60 −0.19 —

Wren Commodity Trust
10, St. George's St., Douglas IoM 0624 25015
Wren Commod. Tst. ... 48.8 50.9 ...... —

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	46.5	50.1	−0.1	2.00
Abbey Capital	35.7	38.4xd	+0.1	5.56
Abbey General	46.3	49.5	+0.1	5.98
Abbey Gilt & F.I. Tst.	102.5	109.9	−0.4	4.59
Abbey Income	40.7	44.0	+0.2	8.92
Abbey Intl. Bd. Tst.	93.3	98.7	+0.5	5.57
Abbey Inv. Tst. Fnd.	36.2	39.1	+0.3	6.38
Equitas Prog. Trust	68.7	74.3	+0.2	6.05

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314

AHR Gilt & Pref	89.0	93.7	.....	13.41

Allied Hambro Group (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	74.4	79.6	+0.1	6.66
Brit. Inds. Fund	68.3	73.1	+0.3	6.92
Growth & Income	41.1	44.0	+0.1	5.73
Elect. & Ind. Dev.	36.8	39.4xd	+0.6	5.33
Allied Capital	74.7	79.9xd	+0.2	5.82
Hambro Fund	116.4	124.5	+0.6	6.48
Hambro Acc. Fund	142.6	152.6	+0.6	5.90
Income Funds				
High Yield Fd.	64.9	69.4	+0.2	10.96
High Income	68.0	72.8xd	+0.3	8.28
A. H. Eq. Inc.	40.2	43.0	+0.2	8.35
International Funds				
International	26.9	28.8	.....	3.76
Pacific Fund	43.0	46.0	−0.3	2.69
Secs. Of America	55.7	59.6	−0.2	2.35
Specialist Funds				
Smaller Co.'s Fd.	47.5	50.8	+0.2	4.92
2nd Smlr. Co's Fd	55.6	59.3xd	+0.3	4.94
Recovery Sits.	111.8	119.6xd	+0.5	6.98
Met. Min. & Cdty.	56.8	60.3	−0.5	4.89
Overseas Earnings	57.9	62.0	.....	5.48
Exempt Funds				
Far East Exempt	[illegible]	53.3	+0.1	3.32
Smaller Co. Exempt	71.3	74.9xd	+0.3	5.27
U.S.A. Exempt	97.6	102.5xd	−0.1	3.45

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	[illegible]	57.2xd	.....	5.57

Ansbacher Unit Mgmt. Co. Ltd.
1, Noble St., EC2V 7JA. 01-623 6376

Inc. Monthly Fund	142.0	152.0	.....	12.00

Arbuthnot Securities Ltd. (a)(c)
37, Queen St., London, EC4R 1BY. 01-236 5281

Capital	23.1	[illegible]	[illegible]	[illegible]
Commodity***	72.4	[illegible]	[illegible]	3.51
(Accumulation)	109.5	[illegible]	[illegible]	3.54
(10% Withdrawal)	57.9	[illegible]	[illegible]	3.54
Eastern & Internatl.‡	26.0	[illegible]	[illegible]	1.00
(6% Withdrawal)	18.7	[illegible]	[illegible]	1.00
Extra Income	29.6	[illegible]	+0.1	11.36
(Accumulation)	37.0	[illegible]	+0.1	11.36
Finance & Property*	20.4	[illegible]	+0.9	4.91
Foreign††	26.4	[illegible]	[illegible]	1.60
Giants	36.3	[illegible]	+0.5	4.14
(Accumulation)	45.5	[illegible]	+0.7	4.14
Gilt & Fixed*	40.0	[illegible]	+2.0	5.32
(Accumulation)	41.0	[illegible]	+2.0	5.32
Growth	39.7	[illegible]	[illegible]	4.33
(Accumulation)	42.6	[illegible]	[illegible]	4.33
High Income	35.7	[illegible]	[illegible]	11.14
(Accumulation)	52.8	[illegible]	[illegible]	11.14
(8½% Withdrawal)	44.7	[illegible]	[illegible]	11.14
High Yield	40.4	[illegible]	[illegible]	12.26
(Accumulation)	66.3	[illegible]	[illegible]	12.26
North American††	26.9	[illegible]	[illegible]	1.00
Preference	[illegible]	[illegible]	[illegible]	14.11
(Accumulation)	[illegible]	[illegible]	[illegible]	14.11
Smaller Companies*	28.3	[illegible]	[illegible]	4.90

Dealings: †Tues. *Wed. ††Thurs. ***Friday.

Archway Unit Tst. Mgs. Ltd.♥ (a)(c)
317, High Holborn, WC1V 7NL. 01-831 6233

Archway Fund	95.8	103.0	.....	5.99

Prices at April 10. Next sub. day April 17.

Barclays Unicorn Ltd.♥ (a)(c)(g)
Unicorn Ho. 252, Romford Rd., E7. 01-534 5544

Unicorn America	28.4	[illegible]	[illegible]	2.09
Do. Aust. Acc.	55.4	[illegible]	[illegible]	1.75
Do. Aust. Inc.	73.6	[illegible]	[illegible]	[illegible]
Do. Capital	71.1	[illegible]	[illegible]	5.59
Do. Exempt Tst.	27.8	[illegible]	[illegible]	9.85
Do. Extra Income	27.6	[illegible]	[illegible]	9.92
Do. Financial	84.0	[illegible]	[illegible]	4.21
Do. 500	81.7	[illegible]	[illegible]	6.99
Do. General	35.3	[illegible]	[illegible]	6.73
Do. Growth Acc.	50.4	[illegible]	[illegible]	5.11
Do. Income Trust	89.0	[illegible]	[illegible]	7.71
Do. Prf. A'ns. Tst.	136.0	[illegible]	[illegible]	4.10
Do. Recovery	49.1	[illegible]	[illegible]	6.67
Do. Trustee Fund	126.4	[illegible]	[illegible]	6.00
Do. W'wide Tst.	46.5	[illegible]	[illegible]	4.18
B'tst.In.Fd.Inc.	66.0	[illegible]	[illegible]	6.24
Do. Accum.	80.3	[illegible]	[illegible]	6.24

Baring Brothers & Co., Ltd.♥ (a)(x)
88, Leadenhall St., EC3. 01-588 2830

Stratton Trust	204.4	212.8xd	.....	5.22
Do. Accum.	268.8	280.0xd	.....	5.22

Next sub. day April 22.

Bishopsgate Progressive Mgmt. Co.♥
9, Bishopsgate, EC2. 01-588 6280

B'gate. Pr.** April 9	224.7	240.9	.....	3.91
Acc. Uts.** April 9	277.7	[illegible]	.....	3.91
B'gate Int. April 15	219.4	234.3	+2.7	2.80
(Accum.) April 15	249.4	266.1	+3.0	2.80

Next sub. day *April 15. **April 29.

Bridge Fund Managers (a)(c)
Regis Hse., King William St., EC4. 01-623 4951

Amer. Gen.	23.8	26.3	[illegible]	1.73
Income*	50.8	55.3xd	−1.5	[illegible]
Capital Inc.†	43.0	45.8	[illegible]	3.37
Do. Acc.†	50.0	53.2	[illegible]	3.23
Exempt†	137.0	146.0	[illegible]	[illegible]
Internatl. Inc.†	16.6	17.6	[illegible]	4.38
Do. Acc.†	19.4	20.7	[illegible]	4.31

Dealing *Tues. †Wed. ‡Thurs. Prices April 9/10/11.

Britannia Trust Management (a)(g)(z)
3, London Wall Buildings, London Wall, London EC2M 5QL. 01-638 0478/0479

Assets	86.7	[illegible]	[illegible]	[illegible]
Capital Acc.	54.8	[illegible]	[illegible]	[illegible]
Comm & Ind	57.6	[illegible]	[illegible]	[illegible]
Commodity	22.6	[illegible]	[illegible]	[illegible]
Domestic	44.0	[illegible]	[illegible]	[illegible]
Exempt	116.1	[illegible]	[illegible]	[illegible]
Extra Income	35.7	[illegible]	[illegible]	[illegible]
Far East	21.7	[illegible]	[illegible]	[illegible]
Financial Secs.	65.5	[illegible]	[illegible]	[illegible]
Gold & General	150.4	[illegible]	[illegible]	[illegible]
Growth	96.6	[illegible]	[illegible]	[illegible]
Inc. & Growth	66.7	[illegible]	[illegible]	[illegible]
Int'l Growth	62.4	[illegible]	[illegible]	[illegible]
Invest. Tst. Shares	48.0	[illegible]	[illegible]	[illegible]
Minerals	46.5	[illegible]	[illegible]	[illegible]
Nat. High Income	71.8	[illegible]	[illegible]	[illegible]
Special Situations	48.3	[illegible]	[illegible]	[illegible]

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Disc. Inc. April 11	192.3	205.0	.....	6.03

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.2	18.1	−1.2	7.89
Gt. Winchester O'seas	19.9	22.0	−0.6	5.01

Emson & Dudley Tst. Mngmt. Ltd.
20 Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	70.8	76.2xd	.....	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	71.6	75.30xd	+0.07	5.57

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891

American	22.8	24.0	−0.1	1.00
Fixed Interest	24.8	26.2xd	−0.8	13.00
Growth + Income	29.4	31.0	+0.3	7.80
Special Sits.	27.7	29.2	+0.3	3.30

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	25.9	27.8xd	.....	2.51
Accum. Units	31.4	33.8xd	.....	2.51
J. Finlay High Income	31.2	33.5xd	.....	10.59
J. Finlay Euro.Fin.	19.4	20.9xd	.....	4.00
Accum. Units	24.2	26.1xd	.....	4.00
J. Finlay Fd.In.Tst.	30.0	32.3xd	.....	5.85
Accum. Units	36.2	38.9xd	.....	5.85

Prices on April 9. Next dealing April 16.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American Apr. 14	49.2	52.2	+0.8	1.40
Am. T'around Apr.14	47.0	50.0	+0.4	2.00
Capital Tst.	50.4	53.8xd	+0.4	5.08
(Accum. Units)	51.2	54.6	+0.4	5.08
Extra Income Trust	47.0	50.2	+0.2	10.50
Income Tst.	35.8	38.0	38.2	+0.2
Int. Growth Fd.	40.8	43.6xd	−0.2	2.30
(Accum. Units)	43.4	46.4	.....	2.30

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	48.5	51.8	+0.4	5.20
Do. Accum.	66.1	71.3	+0.5	5.20

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Mar. 27	109.5	112.9	.....	5.52
Gross Inc. Mar. 27	73.1	75.3	.....	11.69
High Yield Mar. 27	81.0	83.9xd	.....	11.28

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16 Finsbury Circus, EC2M 7DD 01-628 8131

G.T. Cap. Income	113.1	120.3	+0.6	3.80
Do. Acc.	142.3	151.3	−0.8	[illegible]
G.T. Inc. Fd. Un.	164.5	174.9	+1.0	9.10
G.T. U.S. & Gen	135.6	144.2	−2.6	2.60
GT Wld. Bd. Fd.	93.2	96.8xd	+0.2	5.70
G.T. Japan & Gen	65.8	69.6xd	+0.5	3.70
♦Gt. Pens.Ex.Fd.	225.6	237.4	−1.6	3.20
G.T. Int'l. Fund	169.0	179.7	−1.8	2.60
G.T. Four Yds. Fd.	45.5	48.4	+0.5	7.90
G.T. Far East & Gen.	49.0	52.6	+0.1	2.60

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood. (0277) 227300

G. & A.	36.5	39.0	+0.2	5.33

Gartmore Fund Managers♥ (a)(g)
2 St. Mary Axe, EC3A 8BP 01-623 6114
Dealing only: 01-623 5766/5806

American Trust	25.4	27.3	−0.4	1.07
British Tst. (Acc.)	59.4	63.8	.....	4.69
Commodity Share	38.4	41.3	−0.4	3.07
Extra Income Tst.	22.2	23.9	+0.1	9.93
Far East Trust	31.8	34.1xd	−0.3	2.98
High Income Tst.	53.1	57.1	+0.1	10.53
Income Fund	70.9	76.3	.....	7.71
Ins. Agencies	14.55	15.49	+0.08	5.09
Intl. Exempt Fd.	93.1	101.8	+0.7	6.58
Intl. Tst. (Acc.)	34.3	36.9	.....	1.51
Special Sits. Tst.	27.6	29.1	+0.2	2.50

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)
3 Frederick's Pl., Old Jewry, EC2 01-588 4111

Extra Income	26.7	29.10	.....	11.00
Income	40.4	44.0	.....	10.10
Accumulation	71.4	77.6	.....	4.70
Growth	42.7	46.4	.....	4.90
UK Mkt. Leaders	47.7	51.3	+0.6	4.60
Small Co's	39.2	42.7	+0.4	6.50
Technology	62.5	68.0xd	−0.5	6.60
Private	41.8	45.5	.....	4.90
Intl. Ernx. & Assets	48.2	52.4	.....	4.00
American	24.8	27.0	−0.1	3.00
Far East & Gen.	27.2	29.6	.....	2.70

Govett (John)♥
77 London Wall, EC2 01-588 5620

Stckhldr. Mar. 28	112.6	118.7	.....	3.46
Do. Accum. Unit	139.7	147.3	.....	3.46

Next dealing March 28.

Grieveson Management Co. Ltd.
59 Gresham Street, EC2P 2DS 01-606 4433

Barrington April 9	243.1	257.7	.....	5.66
(Accum. Units)	280.9	297.8	.....	5.66
Barrgtn. H.Y. Apr. 10	162.4	170.1xd	.....	10.80
(Accum. Units)	213.7	223.8	.....	10.80
Bargtn.Sm.Co.Apr.8	100.9	107.4	.....	6.42
Endeav. April 15	244.0	253.0xd	+2.7	1.95
(Accum. Units)	262.1	271.7	+3.0	1.95
Grandchtr. Apr. 11	89.7	93.3	.....	3.86
(Accum. Units)	96.0	99.9	.....	3.86
Ln. & Bruss. April 9	64.2	66.5	.....	5.83
(Accum. Units)	70.4	73.0	.....	5.83

Guardian Royal Ex. Unit Mgrs. Ltd.
Royal Exchange, EC3P 3DN 01-628 8011

(ag) Guardhill Tst.	104.8	108.5	+0.4	5.31

Henderson Administration (a)(b)(c)
Premier UT Admin., 5, Rayleigh Road, Hutton, Brentwood, Essex. 0277 217238

U.K. Funds				
Cabot Capital Trust	134.1	139.5xd	+1.1	3.87
(Accum. Units)	170.4	177.2xd	+1.2	3.87
Cabot Recovery	44.1	47.3	+0.1	8.07
Cap. Growth Inc.	62.1	66.4xd	+0.6	3.12
Cap. Growth Acc.	65.6	70.2xd	+0.8	3.12
Inc. & Assets	33.9	36.3	+0.2	7.59
High Income Funds				
Cabot Income Trust	160.9	167.3	+0.5	7.24
(Accum. Units)	235.0	244.8	+0.7	7.21
High Income	56.8	61.4	+1.5	9.92
Cab. Extra Inc.	49.2	53.1xd	+1.2	11.12
Cab.Sm.Cos.Div.	37.4	40.4	+0.1	11.59
Cabot Pf. & Gilt	44.5	46.8xd	.....	13.49
Sector Funds				
Financial & ITU	35.6	38.1	+0.6	2.57
Oil & Nat. Res.	44.4	48.0	+1.0	2.23
International				
International	32.9	35.2xd	+0.2	1.55
World Wide April 11	102.3	108.8	.....	4.73
Overseas Funds				
Australian	55.6	59.5xd	−0.3	1.25
European	42.5	45.5	−0.3	1.47
Far East	55.7	59.6	−0.1	0.73
Pacific Sm. Cos.	51.2	55.3xd	−0.1	3.02
North Amer.	33.5	35.8	−0.2	1.40
Cabot Am. Sm.	50.2	53.7xd	−0.3	1.04
Exempt Funds				
Japan April 11	63.7	66.4	.....	1.63
N. Amer. April 11	111.1	115.7	.....	2.07
Smaller Cos. (b)	118.5	123.4	+0.2	6.09

Hill Samuel Unit Tst. Mgrs.† (a)
45 Beech St., EC2P 2LX 01-628 8011

(b) British Trust	157.5	168.5	.....	5.42
(b) Capital Trust	30.5	32.7	+0.2	5.40
(g) Dollar Trust	69.2	74.1	+0.2	2.99
(b) Far East	22.4	24.0	.....	1.04
(b) Financial Trust	102.3	109.5xd	+0.9	4.99
(b) High Yield Tst.	26.6	28.5	+0.1	10.34
(b) Income Trust	25.3	27.1	+0.3	9.32
(g) Int'l Trust	31.7	34.0	.....	[illegible]

INSURANCE PROPERTY BONDS

City of Westminster Assurance
Ringstead House, 6, Whitehorse Road, Croydon CR0 2JA. 01-684 9664

		Series (2)		(1) Bid
West Prop. Fund	85.0	89.5	.....	80.9
Managed Fund	198.8	209.2	.....	194.9
Equity Fund	60.1	63.3	+0.1	58.7
Farmland Fund	93.2	98.2	.....	89.9
Money Fund	140.7	148.2	.....	140.7
Gilt Fund	74.6	78.6	−0.6	74.7
Black Gold Fd.	93.1	98.0	+0.7	93.1
PULA Fund	197.0	200.9	.....	197.0
Sec. Prop. Units	72.6	76.4	.....	72.6
Pens. Mngd. Cap.		138.4	.....	143.7
Pens. Mngd. Acc.		156.2	.....	156.2
Pens. Money Cap.		52.7	.....	58.6
Pens. Money Acc.		59.3	.....	59.3
Pens. Equity Cap.		49.6	−0.1	50.5
Pens. Equity Acc.		55.7	−0.1	54.8
Pens. Gilt Short Cap.		46.3	−0.2	47.9
Pens. Gilt Short Acc.		52.1	−0.2	52.1
Pens. Gilt Med. Cap.		47.7	−0.3	49.3
Pens. Gilt Med. Acc.		53.6	−0.3	53.6
Pens. Gilt Long Cap.		47.1	+0.1	48.7
Pens. Gilt Long Acc.		52.9	.....	52.9
HFSE Cap.		21.99	.....	—
NFSE Acc.		115.4	.....	—

Fund currently closed to new investment.

Perform Units		241.4	.....	—

Series (2) Prices are for policies issued after 1.1.1980.
Series (1) These are bid prices for earlier policies.

Commercial Union Group
St. Helen's, 1, Undershaft, EC3. 01-283 7500

Vr. An. Ac. April 12		66.97	.....	—
Do. Annuity Uts.		21.99	.....	—

Confederation Life Insurance Co.
50, Chancery Lane, WC2A 1HE. 01-242 0282

♥Equity Fund	205.2	216.0	.....	—
♥Managed Fund	217.7	229.1	.....	—
♥PIP Fund		477.0	.....	—
Psnal. Pen. Mngd.	91.6	96.4	.....	—
Staffguard Man. Pen.	91.6	96.4	.....	—
Group Mngd. Pen.	237.4	241.5	.....	—
Fixed Int. Pen.	224.6	225.7	.....	—
Equity Pension	301.9	309.6	.....	—
Property Pension	227.0	232.8	.....	—

Cornhill Insurance Co. Ltd.
32, Cornhill, E.C.3. 01-626 5410

Cap. March 15		136.0	.....	—
GS Spec. March 15		56.0	.....	—
Man. Grwt. March 20	191.5	202.0	.....	—

Credit & Commerce Insurance
120, Regent St., London W1R 5FE. 01-439 7081

C&C Mngd. Fd.	132.0	142.0	.....	—

Crown Life,
Crown Life Hse., Woking GU21 1XW 04862 5033.

Dist. Fd. Incm.	103.3	108.7	+0.2	11.48
Mang'd Fd. Acc.	120.5	[illegible]	[illegible]	—
Mang'd Fd. Init.	113.5	[illegible]	−0.1	—
Mang'd. Fd. Incm.	109.0	[illegible]	−0.1	11.24
Property Fd. Acc.	106.6	[illegible]	+0.1	—
Property Fd. Init.	100.7	[illegible]	[illegible]	—
Property Fd. Incm.	94.4	[illegible]	+0.1	17.08

Legal & General Prop. Fd. Mgrs. Ltd.
11, Queen Victoria St., EC4N 4TP. 01-248 9678

L&G Pr. April 1	107.1	112.0	.....	—

Next sub. day May 1.

Life Assur. Co. of Pennsylvania
8, New Rd., Chatham, Kent. Medway 812348

LACOP Units	10.10	10.61	.....	—

Lloyds Life Assurance
20, Clifton St., EC2 4HX 01-247 7699

Multy Gwth.		1.50292	.....	—
Op. 8 A Prp. Apr. 10	185.1	194.9	.....	—
Op. 8 A Eqt. Apr. 10	148.9	156.8	.....	—
Op. 8 'A' Hy. Apr. 10	157.5	165.6	.....	—
Op 8 Man A Apr. 10	172.3	181.4	.....	—
Op. 8 'A' Dep. Apr. 10	137.7	145.0	.....	—
Op 8 A In Des Apr 10		100	.....	—
Op.8 A Int. M. Mar. 27		100	.....	—
Op 8 A Int 8 Apr 10		100	.....	—
Pens. Pr. Ac. Apr. 15	165.6	174.4	+2.3	—
Pens. Pr. Cap. Apr. 15	143.7	151.3	+1.6	—
Pens. Eq. Ac. Apr. 15	369.8	389.3	+14.5	—
Pens. Eq. Cap. Apr. 15	321.0	337.9	+11.8	—
Pens. Fxd. Ac. Apr. 15	208.5	219.5	+7.7	—
Pens. Fxd. Apr. 15	181.1	190.5	+6.2	—
Pens. Mg. Ac. Apr. 15	259.8	273.5	+9.1	—
Pens. Mg. Cp. Apr. 15	225.5	237.4	+7.4	—
Pens. Dp. Ac. Apr. 15	176.4	185.7	+1.2	—
Pens. Dep. Cp. Apr. 15	153.1	161.2	+0.7	—

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

'Asset Builder'	44.4	46.8	.....	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511.

Money Manager	37.1	39.7	−0.1	—
M.M. Flexible	33.5	35.3	+0.1	—
Fixed Interest	36.2	38.1	+0.3	—

London Life Linked Assur. Ltd.
81 King William St., EC4N 7BD. 01-626 0511

Equity	98.3	101.2	.....	—
Fixed Interest	93.7	94.1	.....	—
Property	107.4	110.0	.....	—
Deposit	109.7	109.7	.....	—
Mixed	96.7	98.3	.....	—

The London & Manchester Ass. Gp.♥
Winslade Park, Exeter. 0392 52155

Cap. Growth Fund		244.4	.....	—
♦Flex. Exempt Fd.		143.6	.....	—
♦Exempt Prop. Fd.		121.8	.....	—
♦Expt. Inv. Tst. Fd.		190.8	.....	—
Flexible Fund		117.8	.....	—
Inv. Trust Fund		140.2	.....	—
Property Fund		96.9	.....	—
Gtd. Deposit Fd.		112.8	.....	—
Fixed Interest Fd.		90.3	.....	—

M & G Group♥
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588.

American Fd. Bond	[illegible]	52.1	.....	—
Convert. Deposit*	[illegible]	141.6	.....	—

OFFSHORE & OVERSEAS FUNDS

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
97⅝	95⅞	Treasury 3½pc '77-80‡‡	97⅝	+⅛	5.57	16.32
98⅛	95	Funding 5¼pc '78-80‡‡	98⅛	+⅛	5.34	16.34
98⅛	97⅛	Exchequer 13pc 1980‡‡	98⅛	−1/16	13.25	16.23
97½	96¼	Treasury 11½pc 1981‡‡	97⅛	.....	11.81	15.21
92¼	90¼	Treasury 3½pc 1979-81	91⅞	.....	3.81	14.66
95¾	93⅝	Treasury 9¾pc 1981‡‡	95⅛	−⅛	10.18	14.70
93⅝	91¾	Exch. 8¼pc 1981	93⅛	−⅛	8.86	14.91
94	92¼	Exch. 9½pc 1981	93⅞	−⅛	10.11	14.71
89¼	85½	Exch. 3pc 1981	89⅝	−⅛	3.34	11.50
97⅞	96½	Treas. Variable '81‡‡	97½xd	.....	16.44	18.54
96⅛	95¼	Exch. 12¾pc 1981‡‡	96⅝	−⅛	13.19	15.11
90⅞	88½	Treas. 8½pc '80-82‡‡	90⅛	−⅛	9.41	14.96
86⅞	82½	Treasury 3pc '82‡‡	86⅝	−⅛	3.46	11.24
99⅝	95½	Treasury 14pc '82‡‡	99¼	−⅛	14.10	14.42
99⅝	94⅛	Treas. Variable '82‡‡	99⅛	.....	17.54	19.44
88⅛	86¼	Treasury 8¼pc '82	88½	−⅛	9.32	14.45
89⅜	83½	Exch. 9¼pc 1982	89	−⅛	10.39	14.75
87⅝	85	Exch. 8¾pc 1983	87½	−⅛	10.00	14.40
78⅛	75½	Exch 3pc '83	78⅛	.....	3.83	11.94
94	90⅞	Treasury 12pc 1983‡‡	93⅝	−⅛	12.81	14.74
93⅛	92⅝	Treas. Variable '83‡‡	92¾	−⅛	17.53	19.85
92½	84½	Treasury 9¾pc '83	87	−⅛	10.63	14.35
97¼	94¼	Exch. 13¼pc '83	96	+⅛	14.06	15.00
87½	84½	Exch. 10pc 1983	87	−½	11.49	14.67
79½	76½	Funding 5½pc '82-84‡‡	79¼	−½	6.94	12.59
90½	87¾	Exch. 11¼pc 1984	90	−½	12.50	14.71
98⅛	94½	Exchequer 14pc 1984	97⅝xd	.....	14.37	14.92
70⅞	68¼	Exch. 3pc 1984	70⅞	+¼	4.26	12.29
92½	89½	Treasury 12pc 1984	92	−½	13.04	14.47
103⅝	98	Treasury 15pc 1985	101¾	−½	14.74	14.44

Five to Fifteen Years

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
97⅝	90½	Exch. 12¼pc 1985	91¾xd	−⅝	13.21	14.20
84⅝	79¼	Treasury 8½pc '84-86‡‡	84⅛	−⅝	10.35	12.73
99	91	Exch. 13¼pc 1987	98⅝	−⅝	13.90	14.32
75⅝	70⅝	Funding 6½pc '85-87‡‡	73½xd	−⅝	8.84	12.22
76⅝	72½	Treasury 7¾pc '85-88‡‡	75¼	−⅝	10.39	13.04
60¼	54⅝	Transport 3pc '78-88	59⅝	−⅝	5.10	10.66
89¼	83	Treasury 11½pc 1989	88⅝	−⅝	13.22	14.11
64⅛	58⅛	Treasury 5pc '86-89	61½xd	−⅝	8.18	11.96
97⅛	89¼	Treasury 13pc 1990‡‡	97⅝	−⅝	13.77	14.06
75¼	67⅞	Treasury 8¼pc '87-90‡‡	74¾	−½	11.65	13.35
90	82½	Treasury 11¾pc 1991	89½	−⅝	13.66	14.31
64⅝	57½	Funding 5¾pc '87-91‡‡	60½	−⅝	9.53	12.49
87⅜	76⅛	Exch. 11pc 1991	81⅝xd	−1	13.43	14.25
95⅜	87⅛	Treasury 12¾pc '92‡‡	93⅞	−⅝	14.92	14.35
81⅝	74½	Treasury 10pc 1992	78⅛	−⅝	13.60	14.04
91⅜	84¼	Exch. 12¼pc '92	89¼	−1⅛	13.65	14.38
92⅝	83½	Treasury 12½pc '93‡‡	92	−⅞	14.07	14.39
62⅝	55⅜	Funding 6pc 1993‡‡	57¼	−⅞	10.48	12.72
103⅛	93½	Treasury 13¾pc 1993‡‡	100¾	−⅞	14.42	14.54
105⅜	95⅜	Treasury 14½pc '94‡‡	101½	−⅞	14.54	14.54
95⅛	85½	Exch. 12½pc 1994	95¼	−¾	14.06	14.33
76⅜	69⅝	Treasury 9pc '94‡‡	70⅞xd	−½	12.56	13.50
89¼	82	Treasury 12pc '95	88⅝	−⅞	13.95	14.29

Over Fifteen Years

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
47⅜	42⅝	Gas 3pc '90/95	44¼xd	−¼	6.68	10.28
79½	72⅞	Exch. 10¼pc 1995	79⅛	−⅝	13.40	14.01
94⅞	87⅝	Treasury 12¾pc '95‡‡	89⅝xd	−⅝	14.04	14.25
98⅝	91⅝	Treas. 14pc '96	97⅝	−¾	14.43	14.51
77⅝	67⅝	Treasury 9pc '92/96‡‡	71⅝	−½	12.75	13.54
112	101½	Treasury 15¼pc '96‡‡	103⅝xd	−¾	14.61	14.55
97⅝	90⅝	Exchequer 13¼pc '96‡‡	92⅝xd	−¾	14.19	14.32
46¼	41⅝	Redemption 3pc 1986-96	44⅜	−¼	6.79	9.93
97⅝	89	Treasury 13¼pc '97‡‡	95¼	−¾	14.22	14.31
82⅛	74⅝	Exchequer 10½pc 1997	79⅛	−⅝	13.34	13.68
69⅝	65⅝	Treasury 8¾pc 1997‡‡	69⅝	−½	12.79	13.49
62⅞	52¼	Treasury 6¾pc '95-98‡‡	57¼xd	−½	11.73	12.83
115¼	101	Treas. 15½pc '98‡‡	105⅝	−⅞	14.63	14.55
92½	83⅜	Exch. 12pc 1998	85¼xd	−⅞	13.89	14.02
75⅜	69⅜	Treasury 9½pc 1999‡‡	74⅝	−½	13.15	13.62
95	82⅜	Exch. 12¼pc 1999	88	−⅜	14.03	14.19
83⅜	75⅝	Treasury 10½pc 1999	76¼xd	−⅞	13.98	13.91
103⅛	94⅛	Treas. 14pc '98-01	95⅛xd	−1	14.39	14.43
93⅜	81⅜	Exch. 12pc '99-02	86½	−⅞	14.09	14.11
107⅛	92⅞	Treas. 13¾pc 2000-03	99	−1	14.33	14.35
102	93⅞	Treas. 13¾pc 2000-03 A	100⅞	−1	14.26	14.36
90⅝	78⅝	Treasury 11½pc '01-04	83¼	−⅞	13.87	13.99
37¼	33⅞	Funding 3½pc '99-04	37	−¼	9.69	11.20
95⅞	82⅝	Treasury 12½pc '03-05	87¼xd	−1	14.05	14.12
69¼	59⅛	Treasury 8pc '02-06‡‡	63¼	−½	12.69	12.97
89	80¼	Treasury 11¾pc '03-07	87¼	−¾	13.80	13.95
—	—	Treas. 13½pc 2004-08‡‡	£95	.....	14.21	14.23
50⅛	43⅜	Treasury 5½pc '08-12‡‡	46	−½	12.10	12.63
63⅜	57½	Treasury 7¾pc '12-15‡‡	62¼	−⅝	12.30	12.50
95⅞	85⅜	Exch. 12pc '13-'17	92⅛	−¾	13.63	13.53

Undated

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
31⅞	29	Consols 4pc	31⅞	−⅛	13.09	—
31⅝	28½	War Loan 3½pc‡‡	31⅛	−⅛	11.64	—
37¼	32⅛	Conv. 3½pc '61 Aft.	34	−¼	10.34	—
25¼	21⅝	Treasury 3pc '66 Aft.	22⅞	.....	13.17	—
22⅛	19⅝	Consols 2½pc	20⅞	.....	12.09	—
20⅞	17⅛	Treasury 2½pc	19½	.....	12.89	—

INTERNATIONAL BANK

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
86	78	5pc Stock '77-82	84¾	.....	5.91	12.73

CORPORATION LOANS

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
89½	85⅛	Bath 11½pc 1985	87½xd	−¼	12.73	14.47
97¼	93¼	B'ham 12½pc 1985	97¼	−⅛	13.09	14.80
98½	95¼	Bristol 13¾pc 1981	97¾	.....	14.07	16.49
97¼	90	Burnley 13pc 1987	97	−¼	14.10	14.79
89½	82¼	Cardiff 11pc 1986	85¼xd	+¼	12.86	14.50
95	93	G.L.C. 12½pc '82	94¾	−¼	13.19	15.09
95⅜	90¾	Do. 12½pc 1983	93¼	−½	13.41	15.14
87½	84⅛	Glasgow 9¼pc '80-82	87¼	−⅛	10.50	15.49
71	64½	Herts 6½pc 1985-87	70⅛	−½	9.76	13.53
84½	81¼	Liverpool 9½pc '80-84	84½	.....	11.53	14.93
27	25	Do. 3½pc Irred.	25½	.....	14.04	—
95¼	92¼	Lon. Corp. 13¼pc '83	96¾	−½	13.59	15.18
86½	79¼	Do. 9½pc '84-85	82	−¼	11.33	14.18
71	71	L.C.C. 5¼pc '82-84	73	.....	7.50	14.14
74	65½	Do. 5½pc '85-87	65¾	−¼	8.61	13.53
65	60¼	Do. 6¼pc '88-90	65½	−¼	10.58	13.27
23¾	21	Do. 3pc '20 Aft.	22½	−¼	13.95	—
95⅞	93⅜	Newcastle 9¾pc '78-80	95⅞	.....	9.55	17.34
93¼	87¼	Sunderland 12½pc 1984	90¾	.....	13.49	15.82

COMMONWEALTH & AFRICAN LOANS

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
85¼	82¼	Aust. 5½pc '81-82	85	.....	6.50	14.69
78⅞	76	Do. 6pc 1981-83	78⅝	.....	7.63	14.54
62⅝	58	N.Z. 7¼pc 1988-92	62⅝	.....	11.94	14.07
76½	72	Do. 7½pc '83-86	76½	.....	10.13	13.89
99⅝	98	Sth. Africa 9½pc '79-81	99⅝	.....	10.63	17.56
144	137	Sth. Rhod. 2½pc '65-70	142	−1	—	—
150	135	Do. 6pc '78-81	150	.....	—	—

LOANS

Public Board and Ind.

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
60	56½	Agric. Mt. 5pc '59-89	59¾	.....	8.57	12.84
78	73½	Alcan 10½pc '89-94	78	+1	13.81	14.60
28½	25	Met. Wtr. 3pc 'B'	26½	.....	11.47	13.47
102	89	U.S.M.C. 9pc 1982	93	.....	10.07	—
88¾	85½	Do. without Warrants	88½	−¼	10.60	17.10

LOANS—Continued

Financial

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
98½	96½	FFI 13pc 1981	97½	+¼	13.33	16.34
96¼	93½	Do. 14pc '83	95¾	+¼	14.62	15.51
84½	79½	ICFC 5½pc Deb. '80-82	82½	.....	6.69	14.48
74½	71½	Do. 6¼pcDb. '80-84	72xd	.....	8.66	14.90
86½	80½	Do. 10½pc Uns.Ln. '86	86½	.....	12.58	14.90
86	77	Do. 11pc Uns.Ln. '88	86	.....	13.28	14.30
88	82	Do. 11¾pc Uns.Ln. '90	88	.....	13.89	14.80
61	56	Do. 7¼pcADeb. '89-92	60	+½	12.73	14.80
61	51½	Do. 7¾pcA Db. '91-94	56	.....	13.63	14.70
72	64½	Do. 9pc'A' '91-94	67	.....	13.84	15.00
65½	61	Do. 8¾pcLn. '92-97	64½	.....	14.19	14.85
95	84½	Do. 12½pc. Uns. Ln. 1992	88	+½	14.36	14.80

FOREIGN BONDS & RAILS

1980 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
57	43	Antofagasta Rly.	55	.....	—	—
50	50	Do. 5pc Pref.	50	.....	—	—
98	98	Chilean Mixed	98	.....	—	3.39
58	45	Chinese 4½pc 1898	45	.....	—	—
45	38	Do. 5pc 1912	38	.....	—	—
26	18	Do. 5pc 1913	18	.....	—	—
22½	17½	Do. 5pc 1925 Boxer	22	.....	—	—
430	425	German Yng. 4½pc.	430	.....	4½	—
35	32	Greek 7pc Ass.	32	.....	3½	11.41
35	31	Do 6pc 28 Stab. Ass.	31	.....	6	9.68
34	30	Do 4pc Mixed Ass.	30	.....	4	6.73
53	51	Hung. '24 Ass.	51	.....	—	5.67
65	50	Iceland 6½pc '83-88	50	.....	—	16.20
85	79	Ireland 7¼pc '81-83	85	.....	7½	14.21
79½	71¼	Do 9¾pc '91-96	73¾	.....	9¾	14.06
235	200	Japan 4pc '10 Ass	200	.....	—	—
69	57	Do 6pc '83-88	57	.....	6	11.70
155	155	Peru Ass. 3pc	155	.....	3	2.00
$92½	$90	S.G.I. 6½pc 1980	$92½	.....	6½	7.02
$94½	$84	Turin 9pc 1991	$84	.....	10.71	10.11
DM91	DM90	Turin 6½pc 1984	DM90	.....	9.98	9.30
96	96	Uruguay 3½pc	96	.....	3½	3.80

AMERICANS

1980 High	Low	Stock	£	+ or −	Div. Gross	C'vr	Y'ld Gr's
23⅞	17⅛	ASA	17⅞	−⅝	$3.00	—	7.6
34	27½	AMF 5% Conv. '87	27½		5%	—	f12.1
18½	15¾	Abbott Labs.‖	17½xd	−⅛	$1.20	—	3.1
25¾	18⅝	Amax $1	20xd	.....	$2.40	—	5.4
15¾	11½	American Express	13½	+⅜	$2.0	—	6.7
16¼	12⅞	American Medical Int.	15½	+¼	80c	—	2.3
24⅞	13⅝	Asarco Inc.	15⅝	−¼	$1.50	—	4.4
30⅛	23⅞	Baker Intl. Corp. $1	25⅝	−½	60c	—	1.0
845p	680p	Barnes Grp. $6⅔	725pxd	+25	80c	—	5.0
24⅛	18	Bendix Corp. $5	20	−⅛	$2.84	—	6.4
11	908p	Beth. Steel $8	919p	+2	$1.60	—	7.8
780p	597p	Brown'g Fer. c16⅔	651p	+17	70c	—	4.8
675p	512p	Brunswick Corpn.‖	542p	−2	90c	—	7.5
57⅛	28½	Burroughs Corp. $5	30⅛	−¼	$2.60	—	3.0
24	20	CBS $2.50	20½xd	−¼	$2.80	—	6.1
31¼	25	C.P.C. $½	27⅛	+¼	$3.40	—	5.6
25¼	20	Caterpillar‖	21¼	−⅛	$2.40	—	5.1
18½	15⅞	Chase M'htn. $12.5	18¼	−⅛	$2.80	—	6.9
10⅝	899p	Chesebrough $1	931p	−10	$1.28	—	5.9
485p	268p	Chrysler $6¼	268p	−4	±40c	—	±
10⅞	781p	Citicorp $4	890p	+1	$1.42	—	7.2
853p	665p	City Inv. $1.25	719p	.....	$1.50	—	9.3
12½	10	Do. Cm. Prf. B $1	11	.....	$2.0	—	8.2
652p	519p	Colgate-P. $1	571p	+11	$1.08	—	8.5
23⅛	10⅞	Colt Inds. $1	19	−⅜	$2.90	—	6.8
25⅞	19⅞	Conoco	20	.....	$1.90	—	4.3
13	819p	Cont. Illinois $10	12½	+⅛	$1.60	1.1	5.8
23⅛	15½	Crown Zell. $5	15⅝	.....	$2.10	—	6.0
11¼	889p	Eaton Crp. $0.50	10⅝	.....	$1.72	—	7.4
15⅛	11⅞	Esmark	11⅞	−⅛	$1.84	—	7.0
29	23⅛	Exxon ‖	25	.....	$4.80	—	8.3
420p	225p	Firestone Tire ‖	285p	−9	60c	—	9.5
695p	529p	First Chicago	554p	−23	$1.20	—	9.7
27⅛	22	Fluor Corp. $⅝	25⅛	−⅛	$1.20	—	2.1
15⅞	11⅝	Ford Motor $2	13¾	−⅛	$4.00	—	15.3
28½	13¼	GATX	13¼	−⅛	$2.20	—	7.5
24⅛	20⅝	Gen. Elect. $2½	21⅜	+⅛	$2.80	—	5.8
962p	868p	Gillette $1	942p	−20	$1.72	—	8.2
43½	33⅛	Honeywell $1.50	33¾	+⅛	$2.60	—	3.5
12⅛	712p	Hutton E.F.	985p	.....	80c	—	3.6
31⅝	24⅝	I.B.M. Corp. $1.25	24⅝	+¼	$3.44	—	6.3
27	22⅛	Ingersoll-R $2	22⅞	+¼	$3.32	—	6.7
653p	454p	I. U. International‖	524p	−13	95c	—	8.3
11	775p	Kaiser Al. $⅓	902p	+8	$1.20	—	6.0
25⅛	15⅜	Louisiana Land $0.15	17½	.....	$1.80	—	4.6
14½	12	Manf. Han. US$7.50	13½	−½	$2.52	—	8.4
21	13⅛	Morgan (JP) US$2.5	20⅞	−⅛	$2.80	—	6.0
715p	527p	Norton Simon Inc. $1	536p	−13	$1.04	—	8.7
10¼	895p	Owens-Ill. $3.125	976p	−9	$1.40	—	6.5
14	11⅛	Quaker Oats US$5	11⅞	.....	$1.40	—	5.5
31⅞	24⅞	Reliance $0.25	29¼	−⅛	$2.00	—	3.1
23⅞	17⅜	Rep. N.Y. Corp. $5	20⅛	.....	$2.52	—	5.6
839p	695p	Rexnord $5	742p	−11	$1.04	—	6.3
946p	815p	Richdsn.-Mrrll. $1¼	907p	−5	$1.20	—	6.0
27½	20⅞	Rockwell Int.	22⅝	−⅛	$2.60	—	5.2
379p	234p	Saul (B. F.) $1	245p	−15	—	—	—
32	22⅝	Shell Oil $1	27⅛	+¼	$2.40	—	4.0
457p	293p	Singer ($10)	314p	+14	40c	—	5.7
26½	20⅝	Sperry Corp. $0.50	20⅝	−⅛	$1.56	—	3.4
21	17	TRW Inc. $1¼	18	.....	$2.00	—	5.0
19¼	15⅛	Tenneco	15⅞	+½	$2.40	—	6.8
154	125	Do. 10% Ln. Stk. 91-95	130	.....	10%	—	f7.9
11⅝	736p	Tesoro Pt. US$0.16⅔	822p	−22	20c	—	1.7
18	12¼	Texaco $6.25	15½	−⅛	$2.40	—	7.0
23⅛	18	Time Inc.	19	−⅛	$1.66	—	3.9
854p	665p	Transamerica $1	702p	−6	$1.12	—	7.2
23¼	18⅛	Utd. Tech. $US5	18¾	−⅝	$2.20	—	5.4
945p	764p	U.S. Steel $1	793p	−11	$1.60	—	9.1
11⅛	967p	Woolworths $3½	10⅛	.....	$1.80	—	7.8
29⅝	23⅛	Xerox Corp. $1	23⅛	−⅛	$2.80	—	5.4
16⅛	11¼	Zapata Corp. 25c	13xd	−¼	48c	—	1.7

CANADIANS

1980 High	Low	Stock	£	+ or −	Div. Gross	C'vr	Y'ld Gr's
10⅛	875p	Bk. Montreal $2	890p	+10	q$1.48	—	6.3
950p	870p	Bk. Nova Scot.	885p	+10	$1.40	—	6.0
860p	685p	Bell Canada $8⅓	705p	.....	$1.54	—	8.6
24	13	Bow Valley‖	14½	−⅝	h10c	—	0.3
12¼	820p	Brascan‖	985p	−10	‡$1.20	—	4.6
10⅞	850p	Can. Imp. Bk. $2	885p	.....	$1.80	—	7.7
18⅛	13⅛	Can. Pacific $5	15⅛	−⅛	$1.80	—	4.5
31¼	27⅛	Do. 4pc Deb. £100	23½	+¼	4%	—	14.0
71¼	40⅛	Gulf Oil Can.‖	56¼	+¼	$1.60	—	1.1
740p	570p	Hawker Sid. Can.‖	610p	−5	96c	—	6.0
19⅝	12⅞	Hollinger $5	14½	.....	s$2.20	—	5.8
478	925p	Hudson's Bay ‖	955p	−5	‡$1.20	—	4.7
57	36⅞	Hud. B. Oil G. $2½	45⅝	−¼	$2.30	—	1.9
21⅞	15	Imperial Oil‖	17⅛	−⅜	$1.00	—	3.1
14½	10⅛	Inco	10⅛	−¼	60c	—	2.1
565p	425p	Ind. Nat. Gas $1	475p	+10	96c	—	7.2
495p	370p	Massey Ferg.‖	370p	.....	—	—	—
200p	150p	Place Gas $1	148p	+5	—	—	—
14⅛	10⅛	Rio Algom	11⅛	−⅛	$1.50	—	5.1
17⅛	14⅝	Royal Bk. Can. $2	15⅞	−⅛	$2.40	—	6.0
25½	15⅞	Seagram Co. C$1	24⅞	−¼	$US1.10	—	2.0
11⅛	850p	Tor. Dom. Bk. $1	975p	+5	$1.35	—	5.3
10⅛	615p	Trans Can. Pipe	850p	+10	$1.15	—	5.2

BANKS AND HIRE PURCHASE

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
244	202	ANZ $A1	210	.....	Q22c	3.7	5.4	5.1
218	163	Alexanders D. £1	213	+5	16.0	—	10.7	—
£76½	£56	Algemene Fl.100	£64½	−½	Q25%	♦	8.1	♦
345	290	Allen Harvey £1	325	.....	21.5	—	9.4	—
128	108	Allied Irish	112	.....	‡08.09	—	7.0	—
16¼	13	Ansbacher (H.) 5p	13	.....	—	—	—	—
226	180	Arbuthnot L. £1	226	+2	†10.42	—	9.3	—
360	320	Bk. Ireland £1	330	.....	Q25.0	—	7.3	—
£162	£146	Do. 10pc Conv.	£152	.....	Q10%	—	f6.6	—
11	7	Bk. Leumi $0.1	8	+1	‡Q16%	—	2.5	—
120	100	Bk Leumi (UK) £1	110	.....	8.57	—	11.7	—

BANKS & HP—Continued

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
170	137	Bk. N.S.W. $A1	143	.....	Q18c	3.0	6.4	5.2
305	238	Bank Scotland £1	258	−2	15.0	♦	8.8	♦
£19⅞	£16¼	Bankers N.Y. $10	£19⅛	−⅛	Q$3.30	—	7.7	—
452	392	Barclays £1	412	+2	¶18.5	φ6.6	6.4	2.7
318	274	Brown Shipley £1	316	−2	‡13.0	—	5.9	—
315	263	Cater Ryder £1	268	+4	18.88	—	10.1	—
80	42	Clive Dis'nt 20p	45	.....	5.33	—	16.9	—
156	127	Com'l Aus. ($A1)	137	.....	†Q18c	3.0	6.7	4.9
935	725	Com'zbk DM 10	750	.....	Q26.56%	—	9.9	—
£10	800	C'hgn. Hbk. Kr100	812	.....	Q13%	—	16.6	—
40	26	Corinthian 10p	26	.....	†1.05	5.9	5.8	3.0
£19¼	£16⅛	Cred. France F75	£17⅛	.....	Q12.5%	—	6.0	—
13	9	Dawes (G. R.)	12	.....	—	—	—	—
£67	£53½	Deutsche Bank DM50	£58	.....	Q28.12%	—	6.5	—
68	52	F. C. Finance	67xd	+2	2.2	♦	4.7	♦
17¼	9¼	First Nat. 10p	17	.....	—	—	—	1.0
5	1½	Do. Wrrts. 75-83	2	.....	—	—	—	—
240	192	Gerrard Natnl.	212	+4	†9.12	—	6.1	—
84	68	Gibbs (A.)	80	.....	‡2.2	—	3.9	—
225	158	Gillett Bros. £1	158	.....	10.5	—	9.5	—
28½	22½	Goode D't Mry. 5p	22½	.....	0.75	—	4.8	—
140	118	Grindlays	126	.....	3.75	5.7	4.2	4.4
127	86	Guinness Peat	106	+6	†6.25	—	8.4	—
362	278	Hambros	362	+7	†10.92	—	4.3	—
94	73	Hill Samuel	90	.....	5.32	—	8.4	—
135	101	Hong Shng. $2.50	120	−2	MQ47c	—	3.8	—
70	54	Jessel Toynbee	58	.....	t4.62	—	11.4	—
140	130	Joseph (Leo) £1	130	.....	9.5	—	10.4	—
73	55	Keyser Ullmann	56	+1	1.34	—	5.4	—
72	60	King & Shax 20p	64	.....	3.78	—	8.4	—
150	120	Kleinwort B. L.	142xd	+2	6.5	—	6.5	—
318	277	Lloyds £1	300	−5	14.25	6.9	6.8	2.7
40	33	Manson Fin. 20p	34	−1	†h2.63	1.2	11.0	7.8
176	145	Mercury Secs.	165	+5	6.0	—	5.2	—
383	308	Midland £1	335	+3	20.0	φ5.4	8.5	2.9
£81	£67½	Do. 7½% 83-93	£71	+½	Q7½%	φ34.2	11.0	—
£79½	£74¼	Do. 10¼% 93-98	£78¼	−¼	Q10¼%	φ34.2	f13.9	—
53	43	Minster Assets	45	.....	3.9	1.8	13.0	5.8
140	113	Nat. Bk. Aust. $A1	120	.....	‡Q16c	2.7	6.8	5.5
373	305	Nat. West. £1	322	.....	17.5	6.7	7.8	2.3
£60½	£46	Ottoman Bank £20	£47	.....	Q31%	—	6.6	—
96	80	Royal Bk. of Scot.	85	.....	3.92	6.4	6.6	3.1
500	395	Schroders £1	435	−15	17.0	—	5.6	—
225	200	Seccombe MC £1	210	.....	†14.9	—	10.1	—
£13⅝	£10⅝	Sec. Pacific Corp.	£11½	+⅛	Q51.8	—	7.9	—
108	95	Smith St. Aub.	102	+2	†5.55	—	7.8	—
513	465	Stand'd Chart £1	470	−20	26.0	♦	7.9	♦
$20	$13	Trade Dev. $1.50	$16	.....	Q75c	—	4.9	—
405	345	Union Disc £1	405	+2	20.0	1.0	7.1	19.5
61	35	U.D.T.	57	.....	—	—	—	4.8
£12½	£10	Wells Fargo $5	£11⅛	.....	Q$1.92	—	7.7	—
73	62	Wintrust 20p	62	.....	2.9	—	6.7	—

Hire Purchase, etc.

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
51	26½	Cattle's (Hdgs) 10p	29	+1	†d2.1	1.8	10.3	6.8
£39⅝	£29¼	Cie B'cre Fr.100	£30	.....	hQ9%	—	3.2	—
141	118	Lloyds & Scot. 20p	141	+3	5.27	2.4	5.3	11.2
42	33	Lnd. Scot. Fin. 10p	33	.....	†h1.76	2.8	7.6	6.4
19	13½	Moorgate Merc. 10p	16	−1	0.5	2.8	4.5	(8.9)
106	91	Prov. Financial	106	+3	6.45	2.2	8.7	6.8
18	12	Strlg. Credit 10p	12	.....	h0.96	2.3	11.9	(4.0)
14½	9	Sturla Hldgs. 10p	10	+½	—	—	—	—
42	32	Wagon Finance	42	+1	2.31	1.8	7.9	10.3

CHEMICALS, PLASTICS—Cont.

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
102	82	‡‡Blo-Kil Chem. 10p	100	.....	‡b4.9	1.2	7.0	17.0
128	114	Blagden Noakes	124	.....	7.7	2.9	9.2	4.6
143	115	Brent Chems 10p	120xr	−2	4.5	♦	5.4	♦
55	44	Brit. Benzol 10p	44	.....	†2.0	4.4	6.5	4.0
47	42	Brit. Tar Prd. 10p	43	+1	2.17	2.1	7.2	9.3
7¼	5	Burrell 5p	5½	−¼	0.1	—	2.6	—
82	53	Catalin	80	.....	3.85	♦	7.1	♦
£94½	£91	Ciba G'gy 7¾% Ln.	£94½	+1	Q7¾%	♦	f7.8	—
£88	£80	Do. 8% Cnv. 81/94	£80	−5	Q8%	♦	f10.0	—
£86½	£78½	Do. 8¾% Cnv. 82/95	£79	.....	Q8¾%	♦	f10.4	—
113	87	Coalite Group	94	.....	†3.07	4.7	4.7	5.8
63	49	Coates Bros.	53	+1	3.0	♦	8.4	♦
62	46	Do. 'A' NV	50	+2	3.0	♦	8.9	♦
21½	20	Cory (Horace) 5p	21	+½	1.5	♦	9.1	♦
54	43	Croda Int. 10p	45½	+2	3.1	♦	10.1	♦
29	21	Croda Int. Defd.	23	+2	—	—	—	—
36	15	Dixor-Strand 5p	20	.....	—	—	—	—
134	108	Ellis & Everard	116	.....	†5.75	1.7	7.3	(9.8)
304	254	Fisons £1	277	+5	16.45	1.6	8.8	8.7
46½	40	Halstead (J.) 10p	40	−½	†2.0	4.6	7.3	3.9
180	160	Hksn. Welch 50p	160	.....	7.5	3.6	6.7	4.5
322	260	Hoechst DM5	270	−4	Q21.9%	1.6	10.6	8.3
£97	£89½	Do. Fin. 10% Uns. Ln.	£91	.....	Q10%	—	f11.5	—
402	353	Imp. Chem. £1	368	−4	23.0	2.8	8.9	(4.5)
37½	35½	Do. 5% Pf. £1	37	.....	3.5	—	13.5	—
78	68	Int. Paint	68	.....	†2.62	4.4	5.5	4.6
115	93	Laporte Inds. 50p	106	−1	t8.75	1.5	11.8	7.9
140	86	Leigh Ints 5p	126	+4	h5.0	1.8	5.7	(11.4)
£69⅝	£39½	Norsk H. Kr100	£47¾	−¼	Q12%	2.0	1.9	♦
£19⅝	£18	Novo Inds. A/S 'B'	£18	.....	Q12%	♦	6.1	♦
107	89	Plysu 10p	92	.....	†h0.95	7.8	1.5	9.2
285	98	Ransom Wm. 10p	250	.....	†4.93	4.3	2.8	11.8
127	94	Rentokil 10p	121	+3	2.25	3.1	2.7	16.8
46	34	Revertex	34	.....	5.44	1.4	14.5	6.7
175	161	Scot. Ag. Ind. £1	173	.....	14.75	2.5	12.2	4.7
86	70	Stewart Plastics	76	+2	†hd2.49	4.5	4.7	6.8
17	15	Thurgar Bardex 10p	15xd	.....	0.9	2.8	8.6	(4.0)
34	25	Wardle (Ber.) 10p	28	.....	†1.53	♦	7.8	♦
145	128	Wolstenholme	130	.....	5.75	♦	6.5	♦
62	51½	Yorks Chems	52xd	.....	4.85	♦	13.3	♦

DRAPERY AND STORES

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
39	24	Amber Day 20p	28	.....	†2.8	3.1	14.3	5.3
37	28	Aquascutum 5p	30	.....	2.05	♦	10.3	♦
37	27	Do. 'A' 5p	29	.....	2.05	♦	10.6	♦
90	70	B & D (Retail) 5p	78	.....	b1.65	2.8	3.2	16.8
87	61½	Baker's Strs. 10p	84	−2	Fd1.5	9.3	2.6	5.9
102	68	Bambers Stores 10p	68xd	−10	2.0	4.3	4.2	6.5
155	134	Beattie (J.) 'A'	144	.....	3.1	5.6	3.1	7.9
36	30	Bentalls 10p	33	.....	1.32	3.1	5.7	8.0
14	9	Bilton & Con. 20p	10	+½	—	—	—	11.4
12½	7½	Boardman KO 5p	8½	+½	‡0.5	4.5	‡	2.9
38	24	Bolton Text. 5p	24	.....	0.63	1.2	3.7	(8.9)
58	50	Bremner	56	.....	4.2	1.1	10.7	11.7
288	226	Brit. Home Strs.	275	+5	†7.0	3.0	3.6	12.3
33	24	Brown (N) 20p	24	.....	d2.51	2.1	14.9	3.7
128	104	Burton Grp. 50p	115	+4	†h5.0	2.9	6.3	(6.9)
63	35	Cantors 'A' 20p	52	.....	d2.3	2.9	6.3	6.0
37	22	Casket (S.) 10p	26	+2	1.75	3.6	9.6	4.1
196	169	Church	195xd	.....	7.5	♦	5.8	♦
39	30	Comb. Eng. 12½p	34xd	−1	5.15	♦	13.2	♦
98	80	Comet R. Serv. 5p	95	+1	hd3.5	4.6	5.3	4.4
39	23	Cope Sports 5p	24	+1	‡1.0	12.1	6.0	8.0
19	10½	Cornell Dress 5p	19	−½	0.8	2.6	6.0	7.7
92	75	Courts 'A'	76	.....	‡3.7	3.4	7.0	5.5
184	153	Currys	161	−1	7.5	♦	6.9	♦
90	64	Debenhams	78	.....	†6.18	1.7	11.3	(6.2)
76	59	Dewhirst 10p	75	.....	‡1.6	5.2	3.0	8.8
112	90	Dixons Photo 10p	103	−1	†h2.85	5.0	4.0	5.4
23	18	Ellis & Gold 5p	20	+½	2.13	2.3	15.2	3.5
178	142	Empire Stores	142	.....	5.1	♦	5.2	♦
32	24	Executex 20p	31	.....	hd1.61	4.3	7.4	3.4

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INDUSTRIALS—Continued

1980 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
54	50	Hay (Norman) 10p	50	......	3.7	1.8	10.6	7.6
176	137	Hay's Wharf £1	152	......	F7.21	3.1	6.8	(6.0)
61	57	Heasher 'A' 10p	60	......	2.5	5.5	6.0	6.9
112	86½	Hepworth Cmc.	102½xd	+½	5.0	43.3	7.0	5.0
36	22	Hestair	25	......	‡3.5	—	—	—
90	42	Hewitt (J.)	50xd	......	1.5	ϕ	4.3	ϕ
43	30	Highgate & Job 50p.	33	......	—	—	—	—
65	58	Hill (Chas.) £1	58	......	d2.0	—	4.9	—
33	22	Hirst Mal'son 20p	23	......	2.6	1.4	16.2	(4.4)
80	75	Holden (A.)	80	......	†4.0	3.4	7.1	5.6
51	45	Hollis Bros	46	......	†5.12	1.8	15.9	4.4
256	218	Holt Lloyd Int. 10p	222	+1	F9.0	2.3	5.8	12.2
172	120	Hoover 'A'	170	......	12.0	0.9	10.1	(16.6)
95	93	Hoskins & H 20p	93	......	10.39	1.4	16.0	5.8
80	57	Howard Teneos	60	–1	b2.28	—	5.4	—
375	230	Hunting Assoc.	310	......	22.5	11.4	1.2	8.8
98	66	Huntleigh 10p	76	–4	1.19	ϕ	2.2	ϕ
87½	61	Hutch Whamp SHK1	69	–2	Q28c	ϕ	3.9	ϕ
25½	19	Hyman (I. & J.) 5p	22½	+2	1.25	ϕ	8.3	ϕ
£11¼	845	I.C. Industries $1	950	+30	Q$1.84	—	8.7	—
143	111	ICL	141	......	b2.97	6.9	3.0	5.2
32	24	Ingall Inds. 10p	25xd	......	t2.27	1.7	13.0	7.2
134	107	Initial Services	130	......	†5.3	2.5	6.0	7.7
18	10	Inter-City 20p	13	......	1.17	4.8	12.4	2.3
57	46	J. B. Holdings 10p.	48	–1	†1.47	7.2	4.2	4.9
250	123	Jacksons Bourne	123	......	†ϕ3.0	3.3	3.5	11.7
16½	14½	Jarvis (M.) Inds. 20p	16½	......	z0.75	3.3	6.5	9.9
172	124	Jardine M. SHK5	137	–2	Q82c	ϕ	5.7	ϕ
29	22	Jentique	22½	......	2.48	1.6	15.7	4.2
7	4½	Johnson & Barnes	5	......	—	—	—	1.9
180	135	Johnson Clnrs.	156	......	6.2	ϕ	5.7	ϕ
300	205	Johnson Mthy. £1	248	......	†8.5	2.9	4.9	8.5
57	39½	Jourdan (T.) 10p.	54xd	+3½	4.2	ϕ	11.1	ϕ
75	64	Kalamazoo 10p	73	......	3.75	1.6	7.3	12.3
133	98	Kelsey Inds.	130	......	6.0	4.1	6.6	5.5
72	59	Kennedy Sm. 10p	60	......	t2.8	3.7	6.7	7.9
362	225	Kershaw (A.) 5p.	280	......	h21.75	0.6	11.1	(28.9)
75	69	Kleen-E-Ze Hldgs.	75	......	d4.5	2.1	8.6	7.8
82	67	L.C.P. Hlds	70	......	†h3.67	2.3	7.5	7.3
28	22	L.K. Indl. Invs.	22	......	†d2.9	1.6	10.8	(4.8)
32	25	L.R.C. Int. 10p.	29½	–½	2.23	1.4	10.8	8.9
64	51	Lawtex	51	–1	†3.56	4.5	10.4	2.3
164	134	Lead Inds. 50p.	157xd	......	9.66	q2.7	8.8	5.5
88	82	Leadenhall Sterling	85	......	t5.12	4.2	5.3	7.7
53	46	Le Bas (Ed)	49	+2	1.93	ϕ	5.7	ϕ
255	229	Lep Group 10p.	238	......	†12.5	2.3	7.8	6.9
34	19	Lesney Prods. 5p.	26	+1	d3.24	3.2	17.8	(1.9)
142	116	Letraset 10p	122	+1	†7.14	2.3	0.4	8.8
50	41	Lilleshall 10p	50	+4	†1.93	4.7	5.5	4.2
114	83	London & Mnd'd	95	......	†s6.75	2.2	10.2	6.4
42½	32	Lon. & Nthn. Grp.	40½	......	†3.35	2.6	11.8	4.7

INSURANCE—Continued

1980 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
114	94	Howden (A.) 10p.	104xd	......	7.0	1.7	9.6	8.1
£47	£37	Do Warrants	£44	+1	—	—	—	—
179	161	Legal & General	161xd	+2	7.6	—	6.7	—
164	142	Lon. & Man. 5p	164	......	8.75	—	7.9	—
155	134	London Untd 20p.	150	+3	†5.31	4.2	5.1	6.7
111	95	Minet Hldgs. 20p.	101	......	4.47	ϕ	6.4	ϕ
32	26	Moran (Chrs) 20p	28	+1	4.0	1.3	20.4	5.3
314	268	Pearl 5p	314xd	+4	17.0	—	7.7	—
254	208	Phoenix	226	+4	13.3	—	0.7	—
152	130	Provident	152	......	†9.12	—	0.6	—
189	154	Prudential	183xd	+3	9.5	—	7.4	—
166	140	Refuge 5p	154	......	10.6	—	9.0	—
356	307	Royal	317	–3	21.5	—	9.7	—
104	88	Sedg Forbes 10p.	104	+2	5.0	2.3	6.9	9.2
82	67	Stenhouse	77	–1	4.52	2.1	8.4	7.6
210	168	Stewart Wr. 20p.	210	+5	12.0	ϕ	8.5	ϕ
589	520	Sun Alliance £1	568	+4	28.0	—	7.2	—
156	130	Sun Life 5p	155	+3	6.54	—	6.0	—
541	433	Taisho Mar. EDR	470	+5	Q10%	—	0.3	—
193	155	Trade Indemnity	180xd	......	5.6	—	4.4	—
£19⅝	£15¼	Travelers $2.50	£17½	–¼	Q$2.48	—	6.3	—
250	207	Willis Faber	245	+7	11.0	ϕ	6.6	ϕ

LEISURE

1980 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
74	60	Anglia TV 'A'	67	......	3.57	[illegible]	7.6	6.0
99	81	Assoc. Leisure 5p	93	......	†4.25	[illegible]	6.5	7.7
129	113	Barr & W.A.T. 'A'.	120	......	t6.75	6.4	8.0	4.9
63½	45½	Black Edgtn. 50p.	50	......	5.0	ϕ	15.2	ϕ
136	86	Boosey & Hawkes	87	......	5.67	[illegible]	9.3	5.6
90	55	Campari Int. 20p.	55	......	†h3.65	[illegible]	9.5	3.3
80	60	Coral Leis. 10p.	70	+2	t6.7	[illegible]	13.7	5.2
95½	84	Fairline Boats 10p	84½	......	3.5	[illegible]	5.9	6.7
55	37	Glasgow Pavilion 10p	48	......	—	—	—	—
30	28	Grampian 'A' 10p	29	–½	t1.63	3.5	9.7	4.1
106	90	HTV Non/Vtg.	92	......	10.0	1.5	16.1	6.1
45	36½	Hawley Leisure 5p	45	......	0.8	ϕ	2.6	ϕ
270	200	Horizon 5p	235	+3	ϕ7.35	ϕ	4.5	ϕ
14	6	H'w'rd Wy'd 20p.	9	......	B0.34	—	5.3	—
136	100	LWT "A"	107xd	+1	9.89	2.1	13.2	5.1
140	107	Magnt. Ag. M. 10p.	128	......	8.4	2.9	9.4	5.1
34	29	Medminster 10p.	30	......	†2.25	1.9	11.1	6.6
9½	5½	††Nationwide 5p.	6½	......	ϕ0.37	8.1	8.1	—
98	75	Norton & Wrt. 10p	78	......	†d2.98	4.2	5.5	6.3
21	18	††Pan Atlas 20p	19	......	—	—	—	—
56	48	Photax (Lon.)	56	+2	3.5	ϕ	9.3	ϕ
178	120	Pleasurama 5p.	135	+1	4.83	ϕ	5.1	ϕ
58	56½	Redif. TV Pref. £1	57½	......	5.95	24.2	14.8	—
206	182	Saga Hols. 20p.	182xd	......	†d7.5	2.8	5.9	8.8
160	135	Samuelson 20p.	135	......	d8.77	2.4	9.3	6.3

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CENTRAL AFRICAN

1980 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
430	275	Coronation	310	–5	†Q54c	2.2	10.0
680	520	Falcon Rh.50c	610	......	†Q100c	1.7	11.3
47	34	Rhod'n Corp. 16⅔p.	37	–1	0.56	8.5	2.2
267	160	Roan Cons. K4	170	–10	†Q0.12	ϕ	4.5
65	54	Wankie Col. Rh.1	56xd	–1	†Q9c	1.5	11.1
54	20	Zam.Cpr.$BD0.24	31	......	—	—	—

AUSTRALIAN

1980 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
25	21	Acmex 50c	23	......	—	—	—
24	12	ACM 20c	13	......	—	—	—
115	70	Bond Corp.	70	......	Q3.75	2.2	2.7
234	132	Bougainville 50 Toea	165	+1	sQ39½c	ϕ	12.8
265	195	BH South 50c	200	......	ϕ—	—	—
25	11½	Canada Northwest	14	......	—	—	—
42	8	Carr Boyd 20c	22	......	—	—	—
£26	£15¼	Central Pacific	£19	–⅜	—	—	—
356	230	Conzinc Riotinto 50c	246	......	Q15c	2.1	3.2
39	17	Cultus Pacific N.L.	30	+3	—	—	—
50	20	Eagle Corp. 10c	26	......	—	—	—
26¼	15¼	Endeavour 20c	16½	+¼	—	—	—
258	175	G. M. Kalgoorlie 25c	204	–2	†Q3c	—	0.8
46	15	Great Eastern	29	......	—	—	—
372	260	Hampton Areas 5p.	320	......	3.5	2.8	1.6
45	30	Haoma Gold N.L.	40	–2	—	—	—
72	41	Metals Ex. 50c	59	+1	—	—	—
312	194	M.I.M. Hldgs. 50c	206	+3	†hQ16.1c	1.8	4.0
40	18½	Minefields Expl.	40	......	—	—	—
155	60	Mount Lyell 25c	72	......	—	—	—
28	15	Newmetal 20c	15	......	—	—	—
35	12	Nickelore N.L.	13½	......	—	—	—
207	138	North B. Hill 50c.	144	+2	†Q12c	1.4	4.4
80	44½	Nth. Kalgurli	60	–5	—	—	—
165	90	Nth. Mining Corp.	108	–2	—	—	—
43	24	N. West Mining N.L.	38	–1	—	—	—
235	158	Oakbridge $A1	162	......	Q12c	4.7	3.8
122	70	Oilmin N. L.	72	......	—	—	—
230	128	Pacific Copper	190	–6	—	—	—
465	270	Pancont'l 25c	270	–10	—	—	—
78	43	Paringa M&Ex 5p	43	–1	—	—	—
495	345	Peko-Wallsend 50c.	355	......	†Q17.5c	ϕ	2.5
230	140	Seltrust A	158	......	—	—	—
£10¼	575	Southern Pacific	700	......	—	—	—
75	31	Swan Resources 20c.	43	......	—	—	—
13	10	West Coast 25c	10	–2	—	—	—
264	177	Westn. Mining 50c.	195	+4	†Q7c	1.6	1.9
30	10	Westmex	13	......	—	—	—
94	56	Whim Creek 20c.	90	+5	—	—	—
24	10½	York Resources	13	–1	—	—	—

TINS

1980 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
25	17	Amal Nigeria 1p	17	–2	t6.0	1.9	50.4
345	265	Ayer Hitam $M1	270	......	‡Q290c	0.9	‡
67	48	Beralt Tin	49	+1	4.5	ϕ	13.1
185	149½	Berjuntai $M1	160	......	‡Q95c	1.0	‡
230	153	Geevor	205	......	8.71	3.1	6.1
11	10	Gold & Base 12½p	10	......	—	—	—
365	310	Gopeng Cons.	325	......	25.0	1.8	11.0
310	280	Hongkong	300	......	35.87	ϕ	17.1
105	90	Idris 10p	98	......	28.0	ϕ	11.7
15	14	Jantar 12½p	14	–1	—	—	—
77	64	Kamunting $M0.50	67	......	Q47½c	1.1	15.9
320	300	Killinghall $M1	320xd	......	Q100c	ϕ	6.4
670	485	Malay Dredging $M1	580xd	......	mQ105c	2.6	3.7
33	26	Pahang	28	......	0.44	0.3	2.3
108	92	Pengkalan 10p	92	......	6.0	1.3	9.3
290	230	Petaling $M1	260	......	Q150c	1.4	11.7
70	57	Saint Piran	60	......	‡ϕ2.5	6.4	‡
44	30	South Crofty 10p	31	......	‡3.0	2.0	‡
255	180	South Kinta $M0.50	200	–5	Q150c	1.0	15.3
400	340	Sthn Malayan $M1	370xd	+5	†Q175c	2.1	9.6
295	215	Sungei Besi $M1	260	......	†Q520c	1.0	40.8
39	22½	Supreme Corp. $M1	35	9†74	†Q8c	—	
100	95	Tanjong 15p	95	......	24.5	ϕ	6.8
95	80	Tongkah H. Tin	80	......	Q45c	1.3	12.6
275	220	Tronoh $M1	225	......	†Q25c	5.2	2.3

COPPER

1980 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
235	130	Messina R0.50	190	–4	Q10c	ϕ	3.0

MISCELLANEOUS

1980 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
160	78½	Anglo-Dominion	145	......	—	—	—
97	58	Barymin	72½	+½	—	—	—
15	12	Burma Mines 17½p	14xd	......	0.62	ϕ	6.4
502	330	Cons. Murch. 10c.	380	–10	MQ100c	1.8	15.1
585	325	Northgate C$1	380	–10	—	—	—
485	327	R.T.Z.	363	–7	†11.5	3.4	4.5
33	16	Robert Mines	31	+2	—	—	—
58	27	Sabina Inds. C$1	34½	–½	—	—	—
650	485	Tara Exptn. $1	490	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- "Tap Stock.
- Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ϕ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- II No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or –
Albany Inv. 20p.	28	......
Bertam	18	......
Bdg'wtr. Est. 50p.	365	......
Clover Croft	60	......
Craig & Rose £1	£10½	......
Fife Forge	37	......
Finlay Pkg. 5p	28	–1
Graig Ship. £1	£12	–½
Higsons Brew.	75	......
Holt (Jos) 25p	255	......
I.O.M. Stm. £1	165	......
Pearce (C. H.)	385	......
Peel Mills	39	......
Sheff. Refrshmt	99	......
Sindall (Wm.)	165	......

IRISH	Price	+ or –
Conv. 9% '80/82	£86	......
Nat. 9¾% 84/89	£71¼	......
Fin. 13% 97/02	£78⅝	......
Alliance Gas	59	......
Arnott	350	......
Carroll (P.J.)	30	......
Clondalkin	105	......
Concrete Prods.	77½	......
Heiton (Hldgs.)	33	+1
Ins. Corp.	250	......
Irish Ropes	80	......
Jacob	34	......
T.M.G.	142	......
Unidare	102	......

OPTIONS

3-month Call Rates

Industrials	
A. Brew	0
BOC Intl.	6
B.S.R.	5
Babcock	12
Barclays Bank	30
Beecham	13
Blue Circle	25
Boots	17
Bowaters	16
B.A.T.	25
Brown (J.)	7
Burton 'A'	22
Cadburys	5½
Courtaulds	8
Debenhams	8
Distillers	21
Dunlop	5½
Eagle Star	14
F.N.F.C.	2½
Gen. Accident	21
Gen. Electric	30
Glaxo	40
Grand Met.	12
G.U.S. 'A'	30
Guardian	23
G.K.N.	22
Hawker Sidd	16
House of Fraser	12
I.C.I.	32
"Imps"	7
I.C.L.	45
Inveresk	5
Ladbroke	15
Legal & Gen.	14
Lex Service	18
Lloyds Bank	24
"Lofs"	3½
London Brick	6
Lucas Inds.	28
"Mams"	14
Mrks. & Spncr	9
Midland Bank	30
N.E.I.	5
Nat. West. Bank	32
P & O Dfd.	9
Plessey	16
Racal Elect.	20
R.H.M.	4½
Rank Org.	18
Reed Intnl.	17
Sears	5½
Tesco	7
Thorn	25
Trust Houses	14
Tube Invest.	27
Unilever	40
U.D.T.	4
Utd. Drapery	9
Vickers	14
Woolworths	6½
Property	
Brit. Land	7
Cap. Counties	9
Land Secs.	25
MEPC	17
Peachey	13
Samuel Props.	12
Town & City	2
Oils	
Brit. Petroleum	38
Burmah Oil	20
Charterhall	12
KCA	11
Premier	12
Shell	35
Tricentrol	35
Ultramar	58
Mines	
Charter Cons.	18
Cons. Gold	52
Lonrho	12
Rio T. Zinc	35

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 28

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES

Wednesday April 16 1980

Recession signalled as U.S. output falls again

By Jurek Martin in Washington

INDUSTRIAL PRODUCTION in the U.S. declined by 0.8 per cent last month providing further evidence that the economy is slipping into recession. This is the second consecutive monthly fall.

The Federal Reserve Board, which issues the data, revised its estimate of the February performance and now calculates that industrial output dropped in the month by 0.2 per cent, although it previously expected a small advance.

Although, like most other economic indicators, the March output index was clearly influenced by the slump in the car industry, it also revealed a fairly broad decline in economic activity.

The production of consumer durables was down 1.4 per cent in March. Home goods, including electrical appliances and furniture, were down by 1.7 per cent, the second consecutive fall of this magnitude, while car output fell to below even the depressed levels of February and was 25 per cent down on March, 1979.

There was a 0.6 per cent decline in the output of non-durables, largely because of cuts in the petrol, clothing and food sectors.

Construction supplies were down sharply by 3.6 per cent.

Coming on top of last week's report of a fairly steep fall in retail sales and evidence of increased unemployment in March, all the signs are now pointing ever more firmly towards a recession.

It is still possible, however, that the first quarter report on gross national product, which will be issued shortly, will show that some overall economic growth has been achieved, largely because of the more vigorous performance in the first two months of this year.

It was the overheating of the economy at the beginning of this year and the surge in inflation, which forced the Carter Administration to slam on the fiscal and monetary brakes in the middle of March.

Citicorp reports fall in profits

CITICORP, the second largest U.S. bank, reported that its first quarter profits slumped by $42m to $83m, writes Stewart Fleming.

The company said high domestic interest rates had put severe pressure on the spread between funding costs and loan revenues, especially on its heavily consumer-orientated fixed interest rate loan portfolio.

Bankamerica, the largest U.S. bank, yesterday reported a modest increase from $129m to $125m in first quarter earnings and Manufacturers Hanover said that its earnings rose 11 per cent to $56.7m.

Thousands more join BL Cars pay revolt

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

MORE THAN 22,000 BL Cars workers were on strike or laid-off last night, as thousands more employees joined the pay revolt.

Sir Michael Edwardes, the BL chairman, pulled back from any important initiative to break opposition to his decision to impose unilaterally a 5 per cent pay offer linked to fundamental changes in working practices.

He arrived in London yesterday, from a visit to South Africa. Meanwhile, strikes disrupted production of the most profitable models — Land-Rover, Range Rover, Rover Saloons, Jaguar, TR7 dropheads, the Sherpa van and the Mini.

The decision of Mr Moss Evans, general secretary of the Transport and General Workers Union, to give official support to workers who resisted the pay package continued to prompt walkouts yesterday. About 670 strikers made the Swindon body-plant the twelfth to join the dispute.

The company has agreed to a request from Mr Evans for a meeting tomorrow. National leaders of the other 10 unions representing the 86,000 manual workers within the cars division are expected to attend, but not Sir Michael.

BL has insisted that it will make no concessions on pay or working practices The company may prefer to allow the public clash between two big unions to spread confusion among strikers

While the TGWU has given full support to members who resist the package, the Amalgamated Union of Engineering Workers is urging workers to cross picket lines and accept it.

Senior BL executives have made clear that they are not prepared to accept the present situation. Sir Michael is expected to take a tough initiative in the hope of stemming mounting industrial unrest.

At Longbridge, Birmingham, where workers have rejected the strike call, production of the Mini was halted yesterday because of strikes by components suppliers.

The shut-down and lay-off of about 2,500 workers came as BL was unveiling to the Press the new facility for production of the Mini Metro—scheduled for launch in the autumn and the key to the company's viability.

The new metro, Page 6.

Bazooka raid on ministry by French terrorists

BY DAVID WHITE IN PARIS

FRENCH terrorists reach a new pitch of audacity yesterday when what seemed to be a Soviet-made bazooka was used in a series of dawn attacks on government buildings in Paris.

Callers to a news agency and a radio station claimed responsibility on behalf of the Direct Action group. Nobody was hurt in the attacks, which damaged three buildings attached to the Ministry of Transport.

They were made in open defiance of the French police, who thought they had broken up the group at the end of last month. Fifteen people allegedly connected with Direct Action were charged after a round-up made in co-ordination with one by the Italian police.

A caller to the Agence France-Presse news agency yesterday demanded their release, and said the attacks would continue until they were freed.

Direct Action is believed to have links with the Italian Red Brigades, four alleged members of which were caught in the South of France in last month's sweep.

Yesterday's raids, which occurred at about 6 a.m., began with an explosion which wrecked offices at a road traffic computer centre in southern Paris.

It was followed by rocket attacks on two buildings in the west of the capital. In the first, the bazooka was apparently aimed at ministry offices, but hit premises used by a publishing company on the floor below.

Police believe the attacks were carried out by the same group. Witnesses said the rockets were fired by three men in a car. Direct Action has used plastic explosives and automatic weapons but has never previously displayed weapons as sophisticated as a bazooka.

Since last month's arrests, responsibility has been claimed by the group for three incidents in Toulouse. These included spectacular attacks on two computer centres, Philips Baker Systems and the local branch of the Franco-American company Cie Honeywell Bull, in which tapes and records were destroyed with apparently expert thoroughness.

Building society receipts 'only half level needed for mortgages'

BY MARTIN TAYLOR

BUILDING societies remain under intense pressure to meet mortgage demand. Net receipts of £200m last month were only still less than half the level societies say they need.

In the first three months of this year, societies have achieved net receipts of only £644m, compared with £777m at the same stage a year ago. House prices have risen by an average of 28 per cent in the 12 months till the end of March, according to Nationwide Building Society. This has paced an ever greater strain on building society funds.

However, societies have been able to sustain lending to some extent by utilising interest left in savers' accounts—£547m in the first quarter. Building societies are still faced with considerable demand even though some managers have reported shorter mortgage queues, reflecting the lack of funds and the impact of record interest rates on repayments.

Last month £709m was lent to home buyers, compared with a monthly average of £740m in 1979—although the number of loans made will have dropped by an even greater extent as a result of higher house prices.

Despite the pressure on funds, societies have so far ruled out any further increase in their rates. Instead, they have said rates are likely to reduce at a much slower pace when a general fall in interest rates occurs.

Interest on building society ordinary share accounts is 10½ per cent—equivalent to 15 per cent gross for basic rate taxpayers. This compares with a three-month local authority loan rate of just over 17½ per cent.

Societies have faced further competition for funds over the last two months or so, from the 19th issue of National Savings Certificates.

One ray of hope for house buyers is that house prices have risen more slowly since last autumn. According to recent figures from Abbey National, the country's second largest building society— prices rose by only 2 per cent in the first quarter of this year, and actually fell in some areas.

Continued from Page 1

Esso

Capital expenditure has been averaging £338.5m annually for the past five years. Last year the company invested £386m, of which £340m was spent offshore.

Esso, which is in exploration and production partnership with Shell in the North Sea, produced 7m tonnes of offshore oil last year, almost 10 per cent of UK production.

The company benefited not only because it doubled its North Sea production against 1978, but also because sterling crude oil values almost doubled last year.

Continued from Page 1

Sanction-breakers' amnesty

the decision to authorise a blanket amnesty as "a serious mistake." Labour leaders believe BP and Shell and possibly other British companies, as well as senior civil servants, should have been liable to prosecution for alleged involvement in sanctions-busting.

The British aid includes a £7m grant for urgent post-war reconstruction and £500,000 for joint funding with voluntary agencies of projects undertaken in Zimbabwe.

Most of the aid, which has to be worked out in detail with the Zimbabwe authorities, will go towards a programme involving technical co-operation and loans for capital expenditure.

Because of the way the UK aid programme is already committed over the next two years, Sir Geoffrey Howe, the Chancellor of the Exchequer, has agreed that £8m should be made available from the Government's contingency reserve in 1980/1981 and £7m in 1981/1982.

So far the UK is one of the few countries to announce a formal aid programme. The U.S. is to give $15m (£6.8m) for immediate rehabilitation, with more promised later, and other countries, including members of the Common Market, are to announce their plans during the independence celebrations at the end of the week.

Both Sir Ian and Lord Carrington, Foreign Secretary, in the Lords expressed confidence that substantial support would be given to Zimbabwe.

NATO works on new defence system

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

A FIVE-NATION collaborative venture to produce a new multi-million pound standard "Identification, Friend or Foe" electronic system for the NATO armed forces is being put together.

The countries involved, the UK, U.S., West Germany, Italy and France, have already produced a draft agreement on the need to replace the present "IFF" system, in use since 1951.

The system electronically identifies approaching aircraft, ships, or land vehicles such as tanks.

Such systems have been in common use militarily for many years, but rapidly accelerating technological development in warfare, and in particular increasing speed of approaching military aircraft and guided missiles, means that a new system is urgently required.

The Defence Ministry has appointed Cossor Electronics to head a UK Programme Office to co-ordinate industrial efforts in this field. Eventually several large companies are likely to be involved, so extensive is the requirement; and it will probably cost many millions.

The exact nature of the requirement is secret. But Cossor has already exchanged data with Siemens of West Germany, and the two companies have signed a Memorandum of Understanding on an agreed work programme.

One feature of the new IFF system will be its immunity to enemy Electronic Counter-Measures (ECM)—its ability to withstand enemy attempts to jam the system and render it ineffective.

The plans for an IFF system come as Soviet aircraft efforts to infiltrate UK and NATO Western seaboard airspace increase.

In the past year, an average of five Soviet reconnaissance flights a week have been detected by the RAF, whose Lightning and Phantom interceptors steered them away from UK airspace.

The total of Soviet penetration attempts was 250 last year, against 200 in the previous year. "They are just testing us — timing our reactions," said the RAF yesterday.

NATO yesterday began a major air exercise, called "Elder Forest '80," aimed at testing the efficiency of Britain's air defences. For two days several hundred fighters from NATO countries will attempt to penetrate UK air-space.

The results will show whether the UK's air defences are adequate, not only in terms of aircraft numbers but also in reaction times.

So far as the RAF is concerned it is already widely accepted that a substantial increase in aircraft combat numbers is needed, and it is for this reason that the UK is buying 165 of the new Air Defence Variant (ADV) of the Tornado multi-role combat aircraft.

No value is being given for the ultimate IFF contracts, since at this stage the development costs are not known, nor is there detailed information as to the extent of likely production contracts.

On the basis of the fact that the resulting equipment is likely to be installed in every NATO combat aircraft, warship and most armoured vehicles, it is likely to be several hundred million pounds through the 1980s and beyond.

NGA action closes Bristol newspaper

By Pauline Clark

THE EFFECTS of the national campaign of industrial action by print craftsmen increased yesterday as the Bristol United Press became the first major provincial newspaper owner to suspend publication.

Selective action by members of the National Graphical Association over an £80 minimum earnings claim has hit production of provincial newspapers all over the country for more than a fortnight. It has also disrupted the general print industry.

In most companies, mandatory chapel (union branch) meetings by NGA members and other forms of action have caused difficulties and delays in operations to employers who have stood firmly behind national advice not to give in to the union pressure for local settlements.

Mr. Jim Harrison, managing editor of Bristol United Press, said following the loss of 1m newspaper copies since March 27 and of £250,000 revenue, the group was suspending publication of the Western Daily Press, the Bristol Evening Post and its weekly paper, the New Observer.

This follows a warning to NGA members last Friday that if they took any further industrial action they would be viewed as having dismissed themselves. The employers came to yesterday's decision after NGA members on the morning paper stopped work on Monday night. About 165 printers are affected.

Bristol United Press said resumption of publication would not take place until the national pay dispute was settled

The Bristol group said yesterday it could no longer tolerate a situation in which it was repeatedly receiving complaints from readers, advertisers and newsagents.

Since industrial action started, national employers' representatives and the NGA have been in deadlock. Both sides have appeared to be more deeply entrenched in the last week.

The NGA has rejected the employers' offer of £75 a week minimum earnings and a 37½ hour week by 1981 in return for co-operation on working new technology.

Weather

UK TODAY

TEMPERATURES above normal everywhere, Eastern areas dry with sunshine apart from coastal fog, Western areas cloudy with occasional rain.

All areas warm and dry, with maximum temperatures between 19C (66F) and 21C (70F), sunny or cloudy, with showers or rain later, except:

E. and N.E. England
Fog persisting in coastal areas, cold where fog persists.

Borders, Edinburgh, Dundee, Aberdeen
Fog on coasts.

Channel Isles, S.W. England, S. and N. Wales, Isle of Man
Max. temperatures 16C (61F), cloudy, bright intervals, occasional light rain.

S.W. Scotland, Glasgow, Argyll, N.W. Scotland, N. Ireland
Max. temperatures 14C (57F), cloudy, sunny intervals.

C. Highlands, Moray Firth, N.E. Scotland, Orkney, Shetland
Max. temperatures 12C (54F). Sunny intervals.

Outlook: Mainly dry with sunny intervals, temperatures near normal.

Forecast to mid-May: continuing mainly dry and warm, becoming unsettled later and cool particularly in the North.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	19	66	Lisbon	F	14	57
Algiers	R	15	59	Locarno	C	14	57
Amsdm.	S	21	70	London	F	20	68
Athens	S	16	61	Luxmbg.	S	19	66
Bahrain	C	30	86	Luxor	S	26	79
Barcina.	F	17	63	Madrid	C	11	52
Beirut	S	14	57	Majorca	C	16	61
Belfast	R	10	50	Malaga	S	16	61
Belgrd.	S	19	66	Malta	F	16	61
Berlin	S	19	66	Mchstr.	F	17	63
Biarrtz	C	12	54	Melbne.	S	27	81
Bmghm.	F	17	63	Milan	C	15	59
Blackp'l	F	17	63	M'ntreal	C	7	45
Bordx.	C	12	54	Moscow	C	—1	30
Boulgn.	S	15	59	Munich	S	18	64
Bristol	F	19	66	Nairobi	C	21	70
Brussels	S	21	70	Naples	C	15	59
Budpst	S	19	66	Nwcstl.	F	12	54
B. Aires	S	16	61	N. York	S	17	63
Cairo	S	25	77	Nice	R	13	55
Cardiff	F	17	63	Nicosia	S	19	66
Cape T.	R	19	66	Oporto	F	13	55
Chicago	S	6	43	Oslo	S	12	54
Cologne	S	21	70	Paris	C	18	64
Cophgn.	S	15	59	Perth	C	18	64
Corfu	F	18	64	Prague	S	18	64
Dublin	R	10	50	Reykjvk.	R	8	46
Dbrvnk.	S	15	59	Rhodes	S	17	63
Ednbgh.	C	6	43	Rio J'o	R	27	81
Faro	C	16	61	Rome	C	16	61
Florence	C	16	61	Salzb'rg	S	19	66
Frankf't	S	20	68	Singapr.	R	24	76
Funchal	C	16	61	Stckhm.	F	14	57
Geneva	R	13	55	Strasb'g	S	18	64
Gibrltr.	S	16	61	Sydney	R	23	73
Glasgow	C	10	50	Tehran	S	20	68
G'rnsey	C	12	54	Tenerife	C	14	57
Helsinki	R	10	50	Tel Aviv	F	17	63
H. Kong	S	20	68	Tokyo	C	9	48
Innsbr'k	S	18	64	Toronto	C	4	39
Invrnss.	C	8	46	Tunis	C	17	63
I.o.Man	F	11	52	Valencia	F	17	63
Istanbul	F	12	54	Venice	C	14	57
Jersey	F	14	57	Vienna	S	16	61
Jo'burg	S	21	70	Warsaw	S	15	59
L. Plms.	C	19	66	Zurich	S	17	63

C—Cloudy. F—Fair Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

THE LEX COLUMN

The short and long view at Rowntree

Index fell 0.4 to 437.8

Rowntree Mackintosh's profits for 1979 are down from £45.1m to £40.4m pre-tax, and there is a string of explanations for the fall. Volume in the UK confectionery market fell by 2.7 per cent in the year, a result of the rise in VAT from 8 to 15 per cent. The decision to build on a strong position in export markets despite the unfavourable impact of higher sterling brought short term costs, and so did the continued push into continental Europe, where profits have fallen in sterling terms. Heavy capital spending increased net borrowings by over £40m to £64m, and led to much higher finance costs.

But the current-cost statement suggests that this is by no means the whole story. The cost of sales adjustment in 1979 was just £3.5m, down from £18.1m in 1978, and as a result profits on this basis are nearly a fifth higher at £32.5m pre-tax. In other words, stock profits made a much smaller contribution to the reported figures in 1979.

This is one reason why shareholders have no reason to be concerned about the 1979 performance. Another is that Rowntree's longer term strategy still looks sound. It claims to have increased its share of the UK market in the face of strong competition. Its sales on the Continent are now £148m — getting on for half the UK total —and although these are barely profitable, Rowntree is confident that it is building a business which will be as strong as its UK base. Profits will be under quite some pressure in the first half of the current year. But longer term prospects support the shares at 150p, where the yield of 7.1 per cent is covered three times by current cost earnings.

Two banks

The further away British banks are from the lush pastures of UK High Street retail banking, the less well are they doing. At one extreme the clearing banks are making the most of 17 per cent base rates while they last, in the knowledge that life will become a lot more difficult when interest rates fall but the bill for the current 20 per cent-odd pay settlement has to be met. At the other end the scale the international operations of the banks are suffering from squeezed margins, while the strength of sterling has made their currency business look a good deal less buoyant on conversion of the figures.

Yesterday, for example, the Bank of Scotland reported a 19 per cent increase in annual pre-tax profits to £40.4m, and within that total the operating profits of the clearing bank were up by more like two-fifths, whereas the substantial instalment credit and merchant banking interests suffered slight setbacks. The share price shed only 2p to 250p. On the other hand, the price of Standard Charterd Bank slipped 20p to 470p. Although the group's pre-tax profits improved by a sixth with the pro forma 1978 figure, the second six months produced slightly less than the first half despite the benefit of the £70m rights issue in May and the consolidation of Union Bank of California for the whole of the second half. At £169.8m, pre-tax profits are about £10m short of the market's hopes.

Standard Chartered's overseas earnings in places like South Africa, Hong Kong and South East Asia appear to have been buoyant, but sterling deflated growth here by some 10 per cent. In the UK, high money rates have done no good at all to a group which is concentrated in wholesale banking and instalment credit. Including Union, there has been a big expansion of the balance sheet, with footings up from £9.4bn to probably around £13bn. But the growth has required an increase in bad debt provisions, with a charge of £58m for the year.

The market justifiably sees Standard Chartered as generating rather higher quality earnings, however. Its yield is slightly lower than Bank of Scotland's at 8.2 per cent and its p/e ratio is around 5 against little more than 3.

Rugby Portland

Rugby Portland's heavy spending on new plant over the last two years of stagnant profits has brought a fair amount of debt into what was in 1977 an ungeared balance sheet. Last year net borrowings rose £13.2m; debt of £38.3m is offset by £20m of cash in foreign subsidiaries that the group is unwilling, for tax reasons, to repatriate—and is actively looking to spend. The £12½m rights issue announced yesterday—a 1 for 4 at 54p, Rugby's first issue since 1968—will enable the company to repay the bulk of its short-term UK bank borrowings.

Last year pre-tax profits rose only 4 per cent to £15.1m, held back by the winter disruption and bad weather, inadequate pricing and Rugby's inability to increase market share in the face of Blue Circle's push for volume in the UK. Now, though, cement prices have risen by 40 per cent between August and March, and the winter has been unusually mild. Combined with the low tax charge, economies from new energy-efficient plant and interest savings from the rights issue, this should allow 1980 capital spending to be self-financed.

Certainly the group feels confident enough to promise that this year's dividend will be maintained on the increased capital. The ex-rights p/e of 8½ on fully-taxed 1979 earnings should not rise as a result of the dilution, and the prospective yield is 10.6 per cent.

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